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## West Europe Report

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30 October 1985

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POLITICAL

CYPRUS

#### BRIEFS

GREEK CYPRIOT UNIVERSITY CLAIMS SCORED--A spokesman of the Ministry of Foreign Affairs and Defense has said that by claiming they will establish a university to serve the whole of Cyprus, the Greek Cypriots are trying, dishonestly, to obtain funds from world organizations so that they can build a university to serve the Greek Cypriots. The spokesman said that the Greek Cypriot side has not informed the national Education Ministry of the Turkish Republic of Northern Cyprus regarding the university. He added that the time is not ripe for establishing a joint university that will serve the whole of Cyprus. He stressed that this is an issue to be discussed by the education ministries of the two sides after the foundation of a political agreement is soundly established. The spokesman pointed out that the relevant legal procedures are almost completed for granting university status to the High Technological Institute, which is of university level, in North Cyprus. It can be said, he noted, that there is a university in North Cyprus attended by students from foreign countries, as well. The spokesman said that the legal procedures are being carried out quickly, adding that the main aim is to turn it into a fully equipped university open to the Middle East, having academic freedom and where the teaching is done in English. That university can be considered established, he said. [Text] [(Clandestine) Bayrak Radio in Turkish to Cyprus 1630 GMT 13 Oct 85 TA]

CSO: 3554/9

POLITICAL

DENMARK

## PROGRESSIVE PARTY CONGRESS SHAKEN BY LEADERS' RESIGNATIONS

### Leader Attacks Party's Stands

Copenhagen BERLINGSKE TIDENGE in Danish 30 Sep 85 p 10

[Article by Hans Jorgen Poulsen and Kim Barren]

[Text] "It is our own fault that the old parties do not want to work with us. If we start by yelling at them, without making any constructive proposals, then obviously they will refuse to work with us."

This was former party secretary Lise Simonsen's message to the party's parliamentary group after the party congress, where she refused to continue working on the executive committee.

Standing at the podium, she directed sharp criticism at the old executive committee for doing nothing.

"When I joined the executive committee last year, it was because I thought that some work would be done. That did not happen. On the contrary, nothing at all was done. The job has been characterized by unbelievable passivity," Lise Simonsen told BERLINGSKE TIDENGE.

She has called for a renewal of the party. This is needed if it is to have political influence in the future.

"We have the chance right now to regain many of our old voters. The policies the nonsocialist government is carrying out are verging on the scandalous. If we take the correct stand, the voters will turn to us," said Lise Simonsen, who herself is prepared to bring voters back to the party by running for a seat in parliament in the Gladsaxe District.

Her candidacy may help dispel rumors that Lise Simonsen is about to break with the party that she helped found in the "Ditch" at Tivoli in 1972.

In addition to Lise Simonsen, the other female member, Lene Glistrup, also resigned from the executive committee. Now there are no women on the executive committee.

This occurred not because of any disappointment in the party, but because "the party has many other intelligent people with good ideas that could be of value to the party."

"I also have much work to do at the party's secretariat in Christiansborg, so that I still have contact with our members and can follow the work within the party closely," Lene Glistrup said. She was an executive committee member for 2 years.

Without being present the Progressive Party chairman, member of parliament Helge Dohrmann, was reelected as national chairman yesterday. He has stated that he would fill that position 1 year longer. Dohrmann had no opposing candidates and was elected by acclamation.

The new members elected to the executive committee are Johannes Sorensen from Kongerslev near Aalborg, who received 154 votes, and Ib Staehr of Silkeborg, with 102 votes. The other four members of the organizational leadership are chairman Helge Dohrmann, vice chairman Kim Bencke, former member of parliament Leif Glesgaard, and honorary member Mogens Glistrup.

During a debate on rule changes, representatives of the Progressive Party Youth attempted to pass a resolution that would have expanded the executive committee by one additional member. The goal was to prevent tie votes, which have caused serious problems in the past. The proposal was defeated by a show of hands.

#### Glistrup Addresses Congress

Copenhagen BERLINGSKE TIDENDE in Danish 30 Sep 85 p 10

[Article by Hans Jorgen Poulsen and Kim Barren]

[Text] The 500 delegates at the Progressive Party Congress in Aalborg stood and clapped in unison when party founder and honorary member Mogens Glistrup rose to the podium as the last speaker.

Mogens Glistrup sharply criticized the government's economic policy and complained that Denmark was more interested in Preben Elkjaer's fiber technology than the economic situation of the country.

"If they continue in the same manner, then the national debt will be about 0.5 billion kroner within the next year. This government has wasted as much money as the amount that has been used during the previous 1,000 years," Mogens Glistrup said.

As concrete examples he mentioned the pension tax, higher corporate taxes, compulsory savings, and the tax reform agreement.

He attributed the improved economic situation here at home to an economic upswing abroad that has been enjoyed by the government.



"The economic pinch that has been felt in recent years in Denmark resulted from a flood of Schiister bacteria that has spread over the country and prevented people from living," continued Mogens Glistrup, who also accused the mass media, especially BERLINGSKE TIDENDE and Radio Denmark, of presenting the government's views uncritically and, at the same time, ignoring those of the Progressive Party.

He also had a word to say about the Social Democrats.

"It is a degenerate party. Denmark is not geared to Anker Jorgensen and Co. Sending out people like Lykkeftoft, Auker, Bjerregard, and Anker to save us is like letting a Neanderthal man rule the country," Mogens Glistrup said to the thunderous applause of his audience.

#### Party Financial Offers Low

Copenhagen BERLINGSKE TIDENDE in Danish 30 Sep 85 p 10

[Article by Hans Jorgen Poulsen and Kim Barren]

[Text] The Progressive Party wants to develop new material to be used in the debate over our refugee policy, but most of it will be propaganda material the party has already used. One reason for this is that the party's financial offers are low.

This was indicated by an abbreviated working program for 1985-1986 which was supported by 316 votes, while 34 voted against and 12 votes were invalid.

A working group was appointed to go through the remainder of the material.

An overwhelming majority of the almost 500 delegates rejected the idea of allowing Progressive Party members to belong to other parties at the same time.

It was proposed as an addendum to the rules that the party accept as members "anyone who supports the goals of the Progressive Party and who is not a member of other parties or their organizations."

The change was supported by 313 votes, while 161 voted against, and 25 votes were invalid.

This majority was insufficient, however.

#### Policy on EC Unchanged

Copenhagen BERLINGSKE TIDENDE in Danish 30 Sep 85 p 10

[Article by Hans Jorgen Poulsen and Kim Barren]

[Text] Member of parliament Kristen Poulsen is among the Progressive Party politicians in parliament who are known to be strong critics of the EC. Judging from the party congress in Aalborg, however, the party does not intend to declare itself an anti-EC party.



A proposal along these lines from Bent Sola of Selatiger was submitted to the party congress, but it was not taken up for discussion.

A proposal from Peter Kous and Peter Jaurig, according to which a working committee would be appointed immediately to determine the position of the Progressive Party with respect to the EC, was voted down by a show of hands.

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POLITICAL

DENMARK

## SCHLUTER OPENS FOLKETING WITH SPEECH ON ECONOMY, SECURITY

### Vows Continued Tight Budget

Copenhagen BERLINGSKE TIDENDE in Danish 2 Oct 85 p 10

[Text] There is no room for any interference with the government's economic policy. The goal must be reached, Prime Minister Poul Schluter maintained in his opening address. He scolded industry and praised agriculture. The balance of payments deficit still casts a threatening shadow over the Danish economy.

An admonition to industry about the weak trend in industrial exports and praise for agriculture, where foreign exchange earnings increased 13-14 percent in the first half of the year, along with a warning that the recovery policy must be adhered to—even if this means intervention—were some of the elements in the opening address Prime Minister Poul Schluter (Conservative) delivered to Folketing yesterday.

"Developments in industrial exports were disappointing for the first 5 months of the year, while the figures for June and July suggest that an upturn is under way.

"The information we have about current orders and back orders indicates that this increase is a sign of a lasting trend," said Poul Schluter.

### Deficit Too Large

The prime minister made it clear that we will have an unsatisfactorily large deficit in the balance of payments this year.

"We cannot determine accurately at this point whether the trend toward improvement will be strong enough. The government is firmly resolved to adhere to the recovery line we mapped out from the very beginning, but we do not want to act in panic if we can achieve a satisfactory development in 1986 without taking further steps," Poul Schluter said.

He pointed out that under any circumstances there is a need to strengthen industrial developments and increase export opportunities and stated that

the task in the months ahead will be to consistently adhere to the recovery and modernization policies while making the adjustments that are necessary and beneficial.

Poul Schluter said they had succeeded in 3 years in eliminating the insecurity that followed in the wake of the steady erosion of state finances under the Social Democratic rule.

"We still have a state budget deficit. But we can begin to see an end to the deficit. We estimate that the 1985 deficit will amount to 30 billion kroner. The minister of finance is planning on a budget deficit of 20 billion kroner in 1986.

"We are confident that the deficit will be totally eliminated by the time we reach 1990, but that is based on the assumption that we maintain the austerity in spending policy which involves no real increases in public spending," the prime minister said.

Poul Schluter did not say a word in his opening address about how things stand with the government's goal of eliminating the balance of payments deficit by 1988.

"There should be no doubt that we are still resolved to achieve that goal, but I thought it was more important to stress the tendencies in industrial development," the prime minister said.

#### Excerpts from Speech

Copenhagen BERLINGSKE TIDENDE in Danish 2 Oct 83 p 10

[Excerpts from Prime Minister Poul Schluter's opening speech to Folketing]

[Excerpts] Unemployment in Denmark is still much too high. The government is well aware of the social and human problems this creates. But we no longer live in fear that more and more people will be hit by unemployment as the months go by. On the contrary, since the trend turned around there have been 40,000 fewer people without jobs--in spite of the large number of people seeking work. There are now fewer people who have to apply for cash subsidies because of unemployment.

Maintaining our spending policy will make it necessary to keep on changing priorities in public budgets. We cannot afford to allow budgets to remain frozen in patterns that were set in the past. New problems must be solved. For example we must make a new adjustment of the maximum daily compensation rate.

We must encourage savings. That will be a big task in the years ahead. We think the best way to achieve this increase in savings is to have all

of us increase our personal savings. If we save up for the things we want instead of buying them on credit—cars, household appliances, homes. If we save more than we do now to provide a cushion for unexpected problems—or to live a little better when we get older. This would be good for the national economy—and it would also give individuals greater security and satisfaction. Lower inflation will encourage savings in itself but other incentives are needed.

We have had some unpleasant reminders lately that we live in a world that is not peaceful. We have had to face the fact that there are groups that do not respect our wish to live in peace and tolerance with people who live in other countries and other parts of the world. This tells us that we must increase our own vigilance.

All of us have a genuine and deep fear of a major war and the catastrophe this would lead to if it turns into a nuclear war. Therefore we must make use of every opportunity to control the acquisition of arms and to reduce the nuclear threat. We must utilize all the opportunities we have in the United Nations, in NATO, in EC and in Nordic cooperative efforts.

#### Newspaper on Speech

Copenhagen BERLINGSKE TIDENDE in Danish 1 Oct 85 p 11

[Editorial: "Opening Address"]

[Text] The prime minister used his opening address to Folketing yesterday to stress a philosophy of life. Instead of going through his legislative catalog he talked about people and addressed them directly. He drew a line back to the speech he made when he took office 1 year ago, when he said his program was to make it easier to be a Dane. He did not claim that it is exactly easy now, but just that things had become easier in many areas. And the government is right about that. There has been a change in the direction of rapidly increasing employment, lower unemployment and a sharp increase in business activity. As the prime minister said, most businessmen and the parents of young people looking for work can sleep better at night.

However the prime minister did not stop after making these introductory statements. He kept to his theme while exploring the landscape that makes up our daily lives: the condition of older citizens and their pensions, the health system, environmental policy, life in rural districts, cultural policy, conditions for refugees—and of course the situation for individual citizens in the age of technological development which involves problems as well as creating a wealth of opportunities.

The opposition will probably make the ironic comment in the opening debate tomorrow that the prime minister brought tears to everyone's eyes but that he had little to say with regard to concrete measures. But the things he

brought up were of vital importance, not only tax reform but also the Great Belt bridge project and strengthening both EC cooperation and the education system. He even promised the opposition to adjust the maximum daily compensation payment.

With good reason the prime minister also pointed out that the problems that "make our lives miserable" cannot be solved unless we bring the national economy in order. For this reason economic policy had to be given a central place in the opening address. It was quite obvious that the government does not intend to abandon its goal of balancing the national budget and the foreign trade sector. Such a statement was needed because growing prosperity easily leads us into temptation. The government has now said in unmistakable terms that this prosperity must be used to eliminate our indebtedness as quickly as possible and to create even more new jobs.

While the government feels confident that it can eliminate the national deficit, it is not satisfied with developments in the balance of payments--although it does not intend to act in panic. It is all right that investments hamper imports, but the government expressed disappointment when it comes to industrial exports. Therefore government efforts to promote exports will be given a higher priority and no doubt industry will take careful note of this promise. As far as that goes the government can feel confident that industrial people will devote both elbow grease and some of their sleep to improving the export situation. For how else will firms--and the people behind them--earn enough to pay for the flood of investments they have made at their own risk?

Thus there was a human perspective to everything the prime minister said. And there is nothing new about that. The new aspect of his account may have been that he chose not only to talk about people but also to speak to them more directly. The prime minister regards ideology as rubbish, but in his speech he expressed his own and the government's philosophy of life.

#### Mild Debate on NATO

Copenhagen BERLINGSKE TIDENDE in Danish 4 Oct 85 p 11

[Text] The most prominent spokesman for the alternative security policy majority that does not include the government parties, Gert Petersen of the Socialist People's Party, called for continued cooperation "by the majority that has manifested clear opposition to the nuclear arms buildup and the policy of strength."

"The prime minister said some nice things about using our opportunities to limit the arms buildup and reduce the nuclear threat. But at the same time he referred to loyalty to NATO, credibility and so forth. Working for detente and arms reduction is totally incompatible with the superloyalty to the U.S. superpower that the prime minister demanded just as it is incompatible with superloyalty to the Soviet Union," said Gert Petersen.

Børge Brenden (Center-Democrat): "Unfortunately we are running into a lot of provocation about NATO cooperation that we would rather have avoided."

Grund Aasen: "One can support the NATO Alliance without giving up the right to have one's own opinion. We want Denmark to initiate agreements not to make the first use of nuclear weapons in both NATO and the United Nations."

Lars F. Gammelgaard (Conservative): "We would like to say how glad we are that the Social Democrats will again be working on the special Folketing Security Policy Committee. The Conservative Party places great emphasis on reaching agreement on the main lines of foreign policy as much as possible."

"We want to restore this kind of agreement among the parties that have traditionally supported defense and foreign policy. In my opinion this is the biggest single issue confronting this session of Folketing."

Ingolf Rasmussen (Liberal): "We also want an end to the arms race but the only way to do this is to eliminate the distrust that lies behind the suspicious dominating East-West relations. We can make a contribution by trying to open the East-West dialogue going, but it cannot be done by writing footnotes to NATO decisions."

Sidsel Helweg Petersen (Radical Liberal): "We want to do everything we can to insure that realistic negotiations on defense and arms control get under way. We are sure that the idea of a Nordic nuclear-free zone can be implemented. We stand behind Denmark's rejection of missile escalation and Star Wars projects."

#### Paper View Reaction

Copenhagen BERLINGSKE TIDENDE in Danish 4 Oct 81 p 12

[Editorial: "Two Masses"]

[Text] The opening debate in this session of Folketing could not be a dramatic step in the political process. The constitutional provisions that the prime minister should give a report on the general status of the nation and the steps the government intends to take also include a rule that decisions in connection with the opening debate can only be made in the form of a vote supporting a justified resolution. The Left-Socialists made an attempt in this direction with a resolution calling for a vote of no confidence, but if we ignore its playful substance it was an empty gesture. The government could confidently rely on the political majority that has existed since the 1984 election.

The opposition was as incensed at the government as it has a right to be. The campaign for the November municipal elections is taking shape and that means that there is a sharper tone of voice between the political factions. The Social Democrats stressed showing two profiles. One was the angry and



distorted face it turned toward the government. The other was a milder and more responsible face it turned toward the voters. The message was that the government should be opposed but that the Social Democrats do not expect a government change in near time. Therefore they will try to present themselves as an alternative to the government, an alternative with a different policy.

The Social Democrats should not be criticized for acknowledging the political balance of power. And there is no reason to chastise the party because it wants to formulate an alternative. If it is formulated in such a way that it respects political realities the result could be the emergence of an opposition that can conduct an objective dialogue with the government on the basis of its own objective basis. That would be something new compared to our experiences since 1967. The unanswered question--even after the opening debate--is whether the Social Democrats can line up their own groups so that it will be possible to formulate a realistic policy. It is worth noting in this context the extent to which the Danish Federation of Trade Unions is concerned with internal conflicts instead of acting as a political and union base for the shaping of a Social Democratic policy. It has been said recently that some of the factions are considering calling for a change in the chairmanship in order to get a strong personality who is capable of reconciling the different factions and of representing the union movement. Svend Auken is not having an easy time when he has to deal on the one hand with an LO that is about to break up internally and on the other with a party in which unity is not the most prominent characteristic either.

In this situation it is easier to don the angry and distorted mask than the smiling and conciliatory one. An external enemy is a convenient way of concealing internal tensions. Svend Auken is good at changing masks. Circumstances are forcing him to use the angry mask more often than the smiling and conciliatory one.

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POLITICAL

FEDERAL REPUBLIC OF GERMANY

# RAU FEARS DISCORD WITHIN SPD FROM BUELOW PAPER, SED CONTACTS

Hamburg DER SPIEGEL in German 16 Sept 85 pp 22-24

[Unattributed article: "Provide Greater Security"]

[Text] The visit to Moscow by Johannes Rau makes it clear that in foreign policy the designated SPD chancellor candidate does not want a confrontation with the Federal Government.

Journalists were sitting nearby. So Johannes Rau, prime minister of North Rhine-Westphalia, took care of his morning reading with apparent calm.

But what he read on board the Aeroflot jet on the return flight from Moscow to Frankfurt must have alarmed him. Colleagues had given the Russia-traveler an assortment of current news, including a DPA report on Willy Brandt's favorable reaction to the theses of the SPD security politician Andreas von Buelow. The SPD chairman indicated that it was good that the former defense undersecretary was giving thought to a long-term change in defense strategy and was thereby also developing prospects for a Germany without American and Soviet troops.

That is not the case with the designated chancellor candidate of the SPD. He was not able to endorse this solidarity address of his party chairman and neither can he identify with von Buelow's ideas.

Rau would have found it preferable, while he spoke with CPSU General Secretary Mikhail Gorbachev and the probable next Soviet prime minister Vitaliy Vorotnikov, if the party leadership had distanced itself clearly from the Buelow paper--the ground would have been pulled out from under the criticism from the coalition and right wing of the SPD.

The head of the Duesseldorf government, who not only has his sights on the chancellorship but also--1988 at the earliest--wants to succeed Brandt as party chairman, was greatly relieved that his prominent hosts did not ask him about Buelow's paper.

Just one Soviet journalist--Tumanov, the head of the foreign affairs department of the official news agency TASS--wanted to know, during cocktails and hors d'oeuvres at the Moscow public relations office, how Rau stood on the

withdrawal of U.S. troops. This is a paper, he answered, "that no one in the leadership is familiar with" and that is not a draft by the Security Policy Commission under the party executive committee but is merely based upon the thoughts of one man.

Rau continued by saying that he too is in favor of a troop reduction on both sides. He cannot imagine, however, that "Mr Honecker will concur if the Soviet Union withdraws its troops." The high-ranking Soviet journalist shrugged his shoulders: "I do not believe in Honecker's immortality."

But the future chancellor candidate does not want to have anything to do with such speculation about the future. His judgment: 15 months before an election, one should not begin a discussion about something that may not take place until at least 15 years after the elections.

The deputy SPD chairman Johannes Rau ought to know better. With his paper, von Buelow has fulfilled an assignment of the 1984 SPD party congress. In Essen, the SPD delegates resolved that the party's Security Policy Commission (chairmanship: von Buelow) should give some thought to "a new alliance strategy" by the time of the Nuremberg party congress at the end of August of next year.

According to the resolution, the goal of the SPD "is to establish a European peacetime order based upon a security partnership of the existing blocs that will overcome these blocs." The resulting conclusion was drawn by the SPD Presidium last Monday during the debate on the Buelow paper: "Whoever wants to overcome the division of Europe and Germany must also give some thought to the security of Europe without the armies of the superpowers."

That is probably also valid for the party member Johannes Rau.

But an initiative of this caliber, with which social democrats are thinking about security and alliance policy beyond the next election date, does not fit into the world view of the Duesseldorf Land father with his need for harmony. For his chancellor candidacy, just as in his election victory in North Rhine-Westphalia, he has resolved not to polarize.

Rau's path does not seem free of danger. For the SPD under his leadership could easily lose the foreign-policy profile that Willy Brandt gained for it in his Eastern policy beginning in the mid-1960's.

In contrast to Willy Brandt and Egon Bahr, the early thinkers and initiators of Eastern policy, Rau is inexperienced in operational foreign policy. He therefore assesses events in foreign policy according to their effect on domestic policy. His concern is to see that the SPD is vulnerable in as few areas as possible.

Such new ways of thinking as those that question association in the alliance--as in the case of Oskar Lafontaine's proposal for withdrawal from military cooperation in NATO--are not part of the picture. The Buelow case shows that

Rau is opposed to the thoughts of comrades that could be misused by conservatives to denounce the party as unreliable in foreign affairs. Rau's creed: "We must be more attentive in seeing that these things do not permit the formation of doubts about the alliance."

Rau did not abandon this caution in the Kremlin either. On the contrary, he confirmed the status quo: Neither he nor Gorbachev, both 54 years of age, would experience the dissolution of the two alliances in East and West--this is not a candidate of visions.

In 1987, with Johannes Rau at the head, the social democrats want, to be sure to pick up where they left off with their previous dream result of 45.8 percent in the 1972 Eastern policy election of Federal Chancellor Brandt. But Rau does not want to obtain the necessary votes primarily through the second Eastern policy that Brandt has been promoting for several months. The challenger considers that a foreign-policy program contrasting that of the Kohl-Genscher government is risky.

Instead, he is pleading for his own course of supporting the state and alliance as closely as possible to the government line. It is thus his hope that the campaign of CDU General Secretary Heiner Gelsler to present the social democrats as anti-American and as a security risk will run out of steam.

In his visit to Moscow, Rau took care not to let the Soviets play him against the Christian-liberal government. Gorbachev expressed his regrets that Bonn had been so quick to decide to participate in the American space-defense project SDI. Rau warned Gorbachev earnestly against confusing the position of some union politicians with that of FDP Foreign Minister Hans-Dietrich Genscher, who has a substantially more differentiated attitude toward Ronald Reagan's star wars plans. From his contacts with high officials in the Foreign Ministry in preparing for his Moscow trip, Rau knew how interested Genscher is in a continuation of the SPD-FDP policy of detente, despite the CDU right wing.

Other evidence of the candidate's caution is the fact that he--unlike Willy Brandt in his visit to Moscow in May of this year--decided against giving Gorbachev a new interim summary of the contacts of the SPD parliamentary group with the communist parties in other Warsaw Pact states. The form of these relations does not suit Rau. He is bothered by the fact that the government is accusing the SPD of pursuing an "auxiliary foreign policy" and of seeking too close contact with communist parties.

Meanwhile, at the initiative of Hans-Jochen Vogel, chairman of the parliamentary group, the social democrats have established five working groups: with the CPSU on the reduction of the cost of arms in favor of aid to the Third World, with Poland on confidence-building measures, with the CSFR on environmental policy, and with Hungary on questions of economic cooperation. A working group with the SED has already worked out a draft agreement on the establishment of a European zone free of chemical weapons, which is shortly to be discussed with Czechoslovakian communists as well.

Rau is by no means against the discussion of such questions with these states. It bothers him, however, that the social democrats are not conferring with governments but with communist parties. Rau: "One should not get the impression that the contacts between the CPSU and the SPD are comparable to our contacts with Swedish or French socialists. Domestically, I want to do more to guard against misunderstandings here."

It remains his secret how he intends to do that without endangering the activities through which the SPD wants to revive East-West relations and fill out its concept of a security partnership. For the system in the Eastern bloc is such that power is in the parties and not in the governments.

Snappy statements such as those that Rau made to Gorbachev on Tuesday may ease the atmosphere for talks but they can hardly help politically. Next year, according to Rau, is the year of a significant anniversary, that of the forced unification of the SPD and KPD into the SED in the GDR. Rau: "The SPD will then make it clear that it is pursuing policies different from those of the SED."

In the election campaign, chancellor candidate Rau will probably have to go the way of a timid delineation without his party's two most prominent proponents of an Eastern policy, Willy Brandt and Egon Bahr. The party chairman has already announced that for him the SED anniversary is not a subject in his visit of SED General Secretary Erich Honecker planned for this week.

Egon Bahr, who is head of the SPD-CPSU panel, does not see any reason for a change of course either: "Is the SPD then so wishy-washy at the moment when it is the opposition? If the SPD does not use its credit in these countries, then it should be damned."

9746

CSO: 3620/512



POLITICAL

FEDERAL REPUBLIC OF GERMANY

# BUELOW 'STRATEGY PAPER' FINDS CRITICS WITHIN SPD LEADERSHIP

Hamburg DER SPIEGEL in German 16 Sept 85 pp 24-25

[Unattributed article: "Nothing Unilateral"]

[Text] The strategy paper of SPD politician Andreas von Buelow is stirring up social democrats and Christian democrats alike. The debate is serving the union as an election campaign theme.

When things are going well for them and badly for their political opponents, Germany's social democrats always find a way to make themselves the talk of the town. Party treasurer Hans-Jurgen Wischniewski had just resigned his office in disgrace when the next dirty pig ran through the village.

A strategy paper by Andreas von Buelow, SPD security politician, that was passed on to BILD and the union by unknown persons presented the Christian democrats with a welcome opportunity for a counterattack. They were already able to test that part of their election campaign concept with which the socialists were to be accused in the coming months of anti-Americanism and a turning away from the NATO alliance.

From the 23 well-filled pages of the Buelow paper, the ruling party picked out primarily two points: in the first place, the idea that following the withdrawal of Soviet troops from Eastern Europe the American military presence on the continent could also be reduced "down to a perhaps symbolic remainder above all in West Berlin"; and secondly, the proposal that the Bundeswehr be restructured into an army something like a militia, being more dependent upon reservists, thereby shortening "military service in the 1990's to 7 or 8 months."

"Departure from the West," trumpeted the CSU's BAYERNKURIER, and Willy Wimmer, defense spokesman of the union's parliamentary group, suspected "betrayal of the external security of the FRG." And Defense Minister Manfred Woerner knew precisely what would happen if the ideas of the party official were to be realized: "The alliance would certainly break apart," the Bundeswehr "could no longer carry out its mission," and "war would be more likely."

Such dismal forecasts can only be explained through the approaching campaign for the parliamentary elections. For what Andreas von Buelow, once parliamentary undersecretary at Hardthoene and now chairman of the SPD's Security Policy Commission, summarized in 40 points as a "strategy of confidence-building security structures in Europe" is not new at all. On the contrary, it has been discussed for years by experts and politicians.

The goal of all these thoughts is to open up the rigid strategic military constellation in Europe.

According to prevailing doctrines, the Soviets and their allies want immediately to penetrate deep into Western territory in the event of an armed conflict. NATO has obligated itself only to defensive operations as far as the border between the blocs. It assumes, in turn, that the superiority of the Warsaw Pact in conventional arms would relatively quickly force it to use nuclear weapons.

The declared goal of NATO is to raise this nuclear threshold by strengthening its own conventional combat capability. But opinions differ widely about how to do this. Strategists with a traditional mode of thinking, above all the Americans, want to oppose the East primarily with more and better war materiel, with the result that the spiraling arms race continues unchecked.

The social democrats are striving to break out of this vicious circle of more and more. "Strategy and armament," they resolved at their Essen party congress in May of last year, "must give up their own offensive options and impose an unacceptably high risk on the enemy's offensive options." To that end, "at most a restructuring is required rather than an increase in conventional arms." The goal: "conventional stability at the lowest possible level" in Europe with force structures that do not allow either side to attack.

The Buelow commission is supposed to work out the details of such a strategy for the party congress in 1986. So far, however, the work of the committee, which is rather overblown with 24 members plus advisers, has not been under a good star.

Prior to the summer break, Horst Ihmke, vice chairman of the parliamentary group, who until that time had not been involved at all in the work, sought to get things moving. After checking with von Buelow and his representatives, Hamburg Federal Senator Alfons Parwelowitz and military spokesman Erwin Horn, he prepared on just under four pages the "rough sketch of a possible organizational structure." Six colleagues from the parliamentary group and party headquarters were to use that to formulate a first draft.

But the chairman was not pleased with what they produced. So Andreas von Buelow sat down and wrote his own paper--to the annoyance of many party officials. When the commission met again in early September for its first session after the holidays, there was a hail of criticism of Buelow's solo effort. And it was only with a bare majority that the commission members present decided to discuss the draft proposal in detail.

Nevertheless, large parts of von Buelow's analysis reflect the mood of the party and also the line put forward in Essen, especially when he demands:

--"Invading tactical aircraft must be caught in the defensive net. NATO's dependence upon lightning-fast action against the other side's air force must be reduced."

--"The tank as the main weapon system for lightning warfare must be forced back in favor of effective antitank interception networks" and the "dogma of the tank as the indispensable main defensive weapon against tanks must be abandoned."

--Except for minimal deterrent stocks, nuclear battlefield weapons should be "steadily withdrawn without replacement in exchange for the delivery of up-to-date armor-piercing ammunition of comparable effect."

Buelow's guiding principle: "The Americans want to destroy missiles in space and we are not even supposed to be in a position to stop tanks and aircraft at the border with up-to-date technology."

Contrary to what his critics are saying about him, the party official is by no means in favor of unilaterally making the Bundeswehr totally defensive. On the contrary, the goal, through negotiations with Moscow, is to reach the point where "the Soviet defense doctrine is abandoned not in their own country but on the enemy's territory" and where the Warsaw Pact as well changes to defensive force and armament structures.

In this connection, however, security expert Egon Bahr made the critical observation at the commission's 2 September meeting that "a change in strategy on our side is equivalent to the demand for an change in strategy on the other side" and that "nothing should take place unilaterally."

And last week the SPD presidium overturned an important point of the Buelow concept: the conversion of the Bundeswehr to a kind of militia army on the model of Switzerland and Sweden as favored by the commission chairman--a prerequisite for a drastically reduced military service time with a simultaneous increase in the training of reserves--is "out of the question for the FRG."

And the party chiefs will certainly estimate more time for the otherwise "necessary restructuring of the Bundeswehr" than the nimble Buelow. In his paper, he wrote optimistically: "At the end of one or two decades, the Europeans in the East and West should defend themselves, at least in the conventional area," and the superpowers should gradually pull back--"at the latest after the turn of the century."



Veteran defense undersecretary von Buelow ought to have too good a recollection of Army Structure Reform IV to allow himself to get involved in such time forecasts.

That was merely a matter of increasing the number of Bundeswehr combat brigades from 33 to 36. Total duration of the procedure: 10 years.

9746

3620/511

POLITICAL

FINLAND

PAPER VIEWS EFFORTS IN SDP TO KEEP SORSA FROM STEPPING DOWN

Helsinki HUFVUDSTADSBLADET in Swedish 22 Sep 85 p 2

[Editorial by Bjorn Mansson: "No New Sorsa in Sight"]

[Text] The current party leadership discussion within the Social Democratic Party is commented upon by Bjorn Mansson in the light of the intensified endeavors to persuade Kalevi Sorsa to reconsider his announced resignation in 1987.

The Social Democratic Party apparatus and the press have in the past week intensified their campaign to persuade party chairman Kalevi Sorsa to reconsider his decision to resign at the party congress in 1987. Sorsa himself has as late as in March of this year confirmed his intention to withdraw from the party leadership at that time.

In connection with the government's budget negotiations in August, it was pointed out that the said impending power struggle between party chairman candidates Matti Ahde and Erkki Liikanen clearly influenced the actions of the Social Democratic Party. It is apparently against that background that one should view the hopes expressed by party secretary Liikanen in an interview with HUFVUDSTADSBLADET last Sunday that Sorsa would continue after 1987.

In a sudden fit of undeniably becoming modesty and self-criticism, Liikanen admitted that he did not consider himself fit for the task of party leader. He pointed out that he is "far too lively and quick in his movements."

Liikanen's intended competitor, Minister of Environment Matti Ahde, for his part, stated yesterday that Sorsa ought to continue. In a statement given by the Social Democratic press service to the party's provincial papers, Ahde said that Sorsa has such a position in Finnish politics that his task has not yet been completed.

The same day, the discussion was followed up by the party's main organ SUOMEN SOCIALDEMOKRAATTI, which played up the party leader issue with the obvious intention of influencing Kalevi Sorsa to withdraw his threat to step down in 1987. "The ball has now been returned to Sorsa, everybody is now waiting for his final decision and it will have to come 'this very fall,'" it said in the text of the newspaper.

The article enumerates a number of important reasons for not changing party leader already in 1 year. Before the parliamentary elections immediately prior to the party congress and the presidential election next year "the Social Democratic Party will have to be in a position to present a united and powerful image of itself," and it "will only manage to do so with Sorsa as party chairman," the article states categorically, referring to nothing less than "the interests of the nation." It is also pointed out that there is not enough space for Sorsa, the statesman, in the general director's chair in Finnair, which, according to rumors, might be a suitable retirement post.

To further strengthen their effect of persuasion, the Social Democratic organ has asked seven other potential party leader candidates to talk about their own candidatures. Not very surprisingly, the answers constitute a solid support of Sorsa. Among the seven, Pirkko Tyolajarvi, Pertti Paasio and Eli Sundqvist flatly deny being available if the party congress wants it. The others--Erkki Liikanen, Matti Ahde, Paavo Lipponen and Matti Louekovski--answer somewhat more evasively, but it is apparent that they too would prefer dismissing the entire issue. Everybody wants for Sorsa to continue and that is the end of it.

Sorsa himself does not want to comment on the matter at all, which by some people may be interpreted as a promising sign. At least, he does not now repeat his refusal to continue in office.

It is fully understandable that the large Social Democratic Party is at a loss what to do in case of a change of party leader. For it is much more than a question of a person.

It is a question of the position of strength of the Social Democratic Party. Not least in a situation where the Finnish People's Democratic League in the next few years is expected to suffer major setbacks, the Social Democratic Party finds that it needs a strong leader (read: Sorsa) to be able to reap the fruits.

It is a question of the position of the Social Democratic Party, also internationally. It is hard to see that any other Social Democrat, at least on the short view, would here be able to fully replace Sorsa. It is not least a question of the East-relations and the Socialist International.

It is also a question of the Social Democratic ideological policy positions. They apparently cannot afford being stamped as "moving to the right" or "moving to the left." If they want to absorb the votes of the Finnish People's Democratic League, they should not move to the right, and if they want to respond to the general developments of the society (especially the shifts in the employment structure), they cannot move to the left either. It is easy to see that Kalevi Sorsa is the only certain guarantee that their policy line will be adhered to.

And it does not least of all concern the position of the Social Democrats in relation to the nonsocialist parties, especially the Center Party. The struggle is concentrating on the competition for the post of prime minister--

and from there on they will aim at the presidential election in 1994. In a situation where the leader of the Center Party Paavo Liinamaa's general political position seems to have become considerably strengthened, an increasing number of Social Democrats wonder whether they can afford already now to let Kalevi Sorsa go.

If Sorsa leaves the post of party leader already in 2 years, the nonsocialists and not least the Center Party, on the other hand, may start seeing their chance when it comes to being able to compete better than now in personal positions such as the figureheads of society. However, it is not at all certain that responsible nonsocialist leaders are hoping that Sorsa will step down soon. The uncertainty in the cooperation among the various parties which a party leader change within the Social Democratic Party might cause may be something which may make the nonsocialists hesitant.

Therefore, it is not only the Social Democrats who are anxiously awaiting word from Kalevi Sorsa. The hard pressure on him makes his position at the same time both rewarding and unrewarding.

Events in the past week have at least shown one thing clearly: The Social Democrats find themselves greatly dependent upon one single person. For such a large party as the Social Democratic Party, this may perhaps be rather painful.

7062

CSO: 3650/10

POLITICAL

FRANCE

PCF DISSIDENT AUTHOR 'JEAN FABIEN' ON PARTY, BOOKS

PN010846 Paris LE MONDE in French 26 Sep 85 p 7

[Interview with members of group of French Communists writing under pseudonym "Jean Fabien" by Patrick Jarreau—date and place not given. first paragraph is editorial introduction]

[Text] "Jean Fabien," the PCF's Asmodeus, has granted us an interview. To be more exact, our interlocutor within what is described as a "group of Communists"—responsible for the publication of [former PCF leadership member] Jean Kanapa's notes in "Kremlin-PCF" in November 1984 and of an account of the PCF's pro-Soviet about-face in 1977 in "The Comrades' War" ["La Guerre des Camarades"]—agreed to answer the question we have been asking about him for almost 1 year now.

[Jarreau] What have you to hide or protect which explains your anonymity? Are you protecting your job? Is it the way in which you came into possession of Jean Kanapa's notes? Is it your past? Is it your relationships? Or are you playing a double game?

[Fabien] It is not a double game or the way we came into possession of the documents which enabled us to write "Kremlin-PCF," our first book. The use of secrecy is not motivated by a job problem either. It is a political necessity. In the history of the communist movement attempts to struggle against a leadership are usually doomed to failure because the leadership controls the apparatus. We saw that with the "reformers" at the last PCF congress. We wish to remain anonymous out of a concern for efficacy. The same concern could prompt us to emerge from anonymity.

In this connection, like millions of television viewers we heard Georges Marchais state (on television channel 1 on 14 September--LE MONDE editor's note) that he had not read "The Comrades' War"! That blatant lie came after another performance by the PCF secretary general which was disgusting to say the least: his opening speech at the exhibition "The Communists in the Resistance" at the L'HUMANITE festival. The party, Marchais said, "proudly accepts its whole history." The party may do so but does Georges Marchais?

Since he is constantly issuing challenges he can take up ours: "Jean Fabien" is prepared to have a public debate with the present PCF secretary general about the leadership's responsibility for the party's decline, especially with regard to the crucial period of 1977. We could take that opportunity to produce other pieces of the damning file we have already revealed in the second book. Since Georges Marchais has nothing to hide from the French people let him accept the debate and we could agree on the methods of holding such a debate.

[Jarreau] Are you able to say that Jean Kanapa would not be surprised to find his papers in your hand or to see the use you are making of them?

[Fabien] He would not be surprised in the least since it was he who gave them to us to be used "at the appropriate time." The use being made of them is consistent with the PCF's independent approach initiated by Waldeck Rochet and Jean Kanapa. What is more, "Fabien" has made possible Kanapa's posthumous rehabilitation from the political viewpoint. Cleared of the Stalinist image he had been, he is seen as what he was at the end of his life: a man who fought in difficult conditions against the Soviet leadership's all-out interference and for the party's modernization.

[Jarreau] Is it true that his family has made a complaint?

[Fabien] After initially stating that the documents published in "Kremlin-PCF" were forgeries, the Kanapa family, including his two daughters who have Soviet nationality and live in the Soviet Union, had a writ served on the Orban publishing house with a view to obtaining damages and having our first book destroyed. That approach is rather difficult to understand.

"We Must Protect Our Sources"

[Jarreau] When your first book was published you described "Jean Fabien" as a group of Communists, some of whom had responsibilities within the party. That was before last February's congress. Has your position changed since then?

[Fabien] Yes.

[Jarreau] Is there a Politburo member in the "Fabien group"?

[Fabien] I need not tell a journalist from LE MONDE, a newspaper which is striving with some success to shed light on the attack against Greenpeace, how vital it is to protect your sources. What I can say is that the members of the real PCF leadership, namely Georges Marchais, Gaston Plissonnier, and Roland Leroy, have never belonged to the "Fabien" group. Allow me to tell you that this is not the essential point; the essential point is that the documents and information we have



published are authentic. There is not one protagonist in our two books, be he French, Soviet, Spanish, or Vietnamese, who can say the contrary.

[Jarreau] One has the impression that, aside from Kanapa's notes, your information is not drawn from the level at which PCF policy is decided.

[Fabien] Given the disastrous results obtained by those who have "decided" the party's policies, "Jean Fabien" is, alas, fortunate not to have to share the PCF leadership's historical responsibilities. However it is true that, throughout the book, the reader is informed of meetings at the highest level, both national and international: Politburo and Central Committee sessions, meetings among "fraternal" parties, and so forth. There has been no denial of that either.

[Jarreau] In "Kremlin-PCF" you portrayed Mr Marchais as the man who normalised the party after the confrontation with the Soviets over Czechoslovakia. IN "The Comrades' War" Mr Marchais is instead portrayed as the pioneer of Eurocommunism. The only explanation you give for this is that he had "thrown off his Stalinist fetters" in 1972. That is not very satisfactory.

[Fabien] The fact that an expert on the PCF can interpret our two books in this way is surprising. This is what we wrote in "Kremlin-PCF": "After his close collaboration with Waldeck Rochet, Jean Kanapa formed a political tandem with Georges Marchais which, it is said, carried the PCF in the right direction. That was before they were defeated on this line after the 1977 municipal elections by those whose bete noire was the (left-wing) union and who regarded the (Soviet) Union as the surest guarantor of their power... Since Kanapa's death Georges Marchais has seen his position in the leadership team grow weaker. It seems that to keep his position he has had to adopt--and even lead--all the about-faces." This is precisely what we reveal in "The Comrades' War"!

[Jarreau] According to you, in June 1977 Mr Marchais defied Brezhnev by refusing to meet him in Paris, but, 2 months later, he became afraid and decided to "return" to the Soviet "fold." Why?

[Fabien] Things speeded up in a few months. The Soviets fired a powerful barrage against the PCF--the weak link in Eurocommunism. Marchais then assessed the forces likely to resolutely oppose the Soviets; he saw that they did not hold the balance. At a time when the left-wing union was threatening to collapse Marchais was likely to be left undefended in the party against the Soviets.

[Jarreau] The CPSU letter dated March 1977 which you cite is disturbing: Why did the Soviets deem it necessary to address the Central Committee from outside if, as you say, it had many powerful friends in it?



[Fabien] The Soviets gauged the limits of the action their friends in the PCF could take after the Eurocommunists' counteroffensive which succeeded at the 22nd Congress in February, 1976. The prospect of seeing an "Atlanticist" PS and a PCF detached from the Soviet Union come to power in France prompted the Soviets to speed things up and intervene themselves. Hence that incredible letter sent to the Central Committee to attack the party leadership.

[Jarreau] You explained to me a moment ago that the pro-Soviets were so powerful within the PCF that Marchais bowed to them...

[Fabien] As in any war there were retreats and advances. While the pro-Soviets merely gave battle in the Politburo leadership group the others stood firm. As soon as that battle was taken inside the Central Committee, with Marchais' fear that the Soviets' letter might be published as a rally call to all the pro-Soviet forces in the party, and at a time when the left was heading for a split, the secretary general's job was at stake.

Marchais could have put the communists and opinion in the picture by publishing the Soviets' letter himself and drawing support from the forces in the party which supported his policy; in short facing the situation like Tito. He preferred to keep the letter secret and to allow things to take place in the framework of the apparatus. He made his calculations and finally gave into the Soviets.

At the very time that we are talking the "Eurocommunist" leadership of the small Finnish party is publicly confronting the neighboring fraternal Soviet party, which is trying to plot a split. In that case, as in the PCF's case, the CPSU is making threats and sending letters-cum-Ukases. The Finnish Communist Party, however, is resisting.

"We Have More Documents and Information on the Recent Period"

[Jarreau] Do you think it was under Soviet pressure that the PCF broke the left-wing union, or was it because of that break that Marchais, in a weaker position, sought reconciliation with the Soviets?

[Fabien] In the seventies, the Soviets were faced with an independence movement among the Western communist parties: Eurocommunism. This is based on three pillars constituting an "indissoluble and dangerous trinity" for the CPSU: Independence from the USSR; replacement of that link by unity among the Western communist parties; left-wing union on a continental scale. It was against this that the Soviets launched their offensive and stepped it up in 1976. They could not accept that that movement should cast doubt on their hegemony over international communism and the European status quo established after World War II.

In addition, in 1977 the PCF and PS no longer wanted anything to do with the left-wing union: the PS because Mitterrand had launched his presidential strategy and wanted to shake off the burden of the joint program; the PCF because Soviet pressure was weakening its leadership. If the left-wing union had remained strong, if Marchais had been able to draw support from Mitterrand, he may have been able to resist the Soviets.

[Jarreau] Have you exhausted your supply of archives and information, or are you going to publish others which postdate Kanapa's death?

[Fabien] We have other documents and have information on the recent period. With "Kremlin-PCF" "Jean Fabien" gave a review of the communist world in the sixties. "The Comrades' War" gives many pieces of information which make it possible to know the reasons for the present party leadership's submission to Soviet strength in the seventies and to understand the PCF's decline. We are getting closer...

The party leadership is more concerned about its privileges than the future of the PCF and the country: This is the growing and perhaps even majority view among the Communists and their voters. At a time when preparations are being made for the PCF national conference on the 1986 parliamentary elections many party members, forced into the silence of the apparatus, are saying: It is a good thing that this is being demonstrated, with evidence to support it.

CSO: 3519/4

POLITICAL

GREECE

#### FOREIGN MINISTER COMMENTS ON RELATIONS

NC090937 Istanbul CUMHURİYET in Turkish / Oct 95 pp 1, 8

[Report on statement by Greek Foreign Minister Karolos Papoulias to CUMHURİYET correspondent Sedat Ergin in New York; date not given]

[Text] In a statement to CUMHURİYET, Greek Foreign Minister Karolos Papoulias said that his country wanted "to improve" relations with Turkey. Although Greece wants to improve its ties with Turkey, he stressed that this depended on mutual "respect."

While Papoulias' statement gives the impression that he is conveying a new message, he was actually using diplomatic language to reiterate the well-known Greek position by emphasizing the element of "mutual respect." By highlighting the need to respect mutual rights, the new Greek foreign minister was understood to be referring to Athens' claims to rights in the Aegean. This, in turn, means that the improvement in relations he is talking about depends on our acceptance of Greece's views.

Attorney Papoulias, whom Prime Minister Papandreu named to the post of foreign minister after Pasok's victory in the general elections held at the beginning of the summer, preferred to answer our questions only by making this brief statement. This is how he explained his behavior: "Prime Minister Papandreu will come to New York this month on the occasion of the 40th anniversary of the United Nations, and will make a statement on Turkish-Greek relations. It would not be appropriate for me to discuss the same subject."

Papoulias' comment proves once again that Papandreu pulls all the strings of Greece's policy toward Turkey. It is understood that the UN celebrations, which will also be attended by Prime Minister Ozal, will include some activity concerning Turkish-Greek relations.

CSO: 3554/9

POLITICAL

GREECE

POLITIS: INNATE SELFISHNESS OF GREEKS HINDERS DEVELOPMENT

Athens I KATHIMERINI in Greek 21 Sep 85 p 8

[Article by Nikos Politis: "Funny Things, Sad Things, Greek Things"]

[Excerpts] To be in the minority is incomprehensible to the Greeks. No power on earth can make them understand the idea of a minority, can persuade them that it is possible that others, the majority, may have views different from theirs, may have other opinions, other tastes, etc. Each Greek is a born majority in himself and in spite of all individual misfortunes and all national disasters, he continues to believe that the revealed truth is expressed solely and exclusively through his own little self. It is therefore just and self-understood that he should have the last word on everything and that he should always claim first place.

This is surely due to the Greeks' over-developed age-old selfishness, whose manifold indications are expressed daily in their every relation with others, as well as in their general stance vis-a-vis the entire inhabited world. The current sentence "he always wants to have his way" actually confirms that despite the views of the majority, Greeks attempt to impose their own minority wishes and desires.

I believe that this morbid mentality gives rise to the "spirit," or nourishes the "complex" of the national saviour, which has brought so much suffering to our country and has so much retarded its development. Because what is a national saviour other than an egotistical individual who attempts to impose his "born majority" by force? And he unfortunately succeeds sometimes. Of course, my opinion finds itself in a minority position vis-a-vis the dogmatic assertions of a progressive majority, according to which, through the tried-and-true method of oversimplification, the responsibility for the appearance of national saviours must be attributed to the monopolies west of Eden, to the multinationals and the sharks of oligarchies. But "I am a Greek too, and nothing Greek is strange to me."

However, the idea of the "born majority" finds its apotheosis mainly in politics. This is where we find its fullest expression, this is where we encounter its well-aimed explanation, this is where we enjoy its final justification... When from the chaos of yesterday, the critical moments of today and on the edge of tomorrow's abyss, a brilliant meteor suddenly and unexpectedly appears as a solid support... Consolation from above, God's grace, the Word from the beginning! A look at our present parliament can persuade the most disbelieving of our Thomases that the great miracle is on the verge of happening. The miraculous "majorities in themselves" abound, ready to save us. But what a pity: their words cannot make the sick rise from their bed and walk, their faith cannot heal our eyes and open them so that we can see. And as for our ears, we are getting increasingly deaf from listening to their grandiloquent promises.

Alas, "too many chiefs but few Indians," as the accursed Americans say. What can we say, when we look at the army of "chiefs" and "presidents"? But what are we to do with them? If at least they were a bunch of carrots and celery, we could make a tasty bean dish out of them. And we would surely have found some solutions by now...

CSO: 3521/6

POLITICAL

PORTUGAL

## ELECTIONS SEEN CHARACTERIZED BY PERSONALITIES, NOT PARTIES

Lisbon DIARIO DE NOTICIAS in Portuguese 11 Oct 85 p 8

[Article by Luisa Manoel de Vilhena: "Who Are You?"]

[Excerpts] Contrary to what many predicted, these elections were indeed important and revealed a great deal. They deeply altered the political scene. They will have unforeseen repercussions on the presidential elections that could bring us surprises. They proved that in democratic countries, "the people hold the major power of decision."

The people "decided" that the country should be governed by Cavaco Silva. And the people gave a vote of confidence to Gen Eanes, thus giving a blank check to a party whose only attribute is to be "Eanist" and to be different. Different from what?

During his first term, Eanes was elected by the AD and by the socialists. In his second one, he was repudiated by the AD and by Soares and elected by the left, including the communists. He has always spoken for the centrist coalition--PS-PSD--and this would give some "coherence" to the possibility of an alliance with the PS or, in today's circumstances, the PSD. However, he also never rejected the hypothesis of a government of national salvation (that would include the PCP), and the left views the Eanist party, in its interpretation of the electoral results, as belonging to its own group: that, of course, would give "coherence" to an affirmation of the PRD as a leftist opposition, possibly close to the communists.

The less blindly confident voters can ask: "PRD, who are you?"

Only a vehement desire for change could have incited a million Portuguese citizens to vote for such a startlingly vague proposal.

The ideological distinction between the parties, which should have been enormous, was diluted to the point of indefiniteness. The Portuguese people, in their majority, are not political savvy. The various gradations of socialism and even Marxism, Christian democracy and the Church's social doctrine, the liberal capitalist ideal and all the other liberalism so much in vogue today mean very little to the majority of Portuguese, in theoretical terms. And even in practice we understand very little because, despite the fact that all the parties



have already governed and that they have formed all possible coalitions, it is not easy to classify them by ideology and doctrinal orientation.

The parties are only judged (and chosen and punished) by the Portuguese electorate on the basis of having governed better or worse during their term in power. This is a subjective judgment, which varies according to the social position of the voter, and, more importantly, according to his mentality.

Last 6 October, perhaps more than ever before, the voters' choice was personalized. The Portuguese opted for Cavaco Silva or Almeida Santos, they manifested their support to Lucas Pires, to the Eanes family, to the eternal Cunha or to the Incredible One. The competition between parties was relegated to second place, because the Portuguese people, as we have stressed time and time again, no longer believe in any party and because, particularly in these last elections, all programs converged, all promises were similar, all criticism was made in the same tone. The struggle was between party leaders, and votes depended on the degree of confidence they were able to inspire.

Nevertheless, we believe that the defeat of Almeida Santos and of Lucas Pires are not parallel. We would say that Almeida Santos' defeat is in fact personal and that of Lucas Pires is mostly circumstantial.

Perhaps the majority of the PS electorate was never socialist. It may have been only Soarist. And Almeida Santos, who has more than his share of intelligence and cynicism but lacks charisma and personal attraction, could never be a good substitute, perhaps because his image is not clear enough and because he appears at a time when the Portuguese, above all, are repudiating the troubled environment in which we continue to live. For the most part, this is the reason for Cavaco Silva's triumph and for the degree of acceptance granted to the party over which hovers the myth of Gen Eanes.

Moreover, it will be very difficult to find a good successor for Mario Soares. Perhaps Jaime Gama? It is an unrewarding succession because Soares, in spite of his many serious negative aspects, still represents--or represented?--the romantic, civilized and illusory side of the surrealist April Revolution.

Like Almeida Santos, Lucas Pires gambled on his great intelligence. He does not lack clarity. He has more imagination and more brilliance than any of the other party leaders. He offers serious and important ideas for a national renaissance. But his dispassionate and original language does not touch the electorate, which is too uneasy to appreciate such quiet and sophisticated talk.

Lucas Pires is not convincing.

Has the time come for a CDS led by Adriano Moreira, around whom can gather the centrist youth?

It is obvious that the CDS was hurt by the "useful" ballot. Considering the results, it seems that these "useful" ballots were not needed for a PSD victory. But who could have known? Who could have thought that Cavaco Silva's trump card, so uncertain until the elections, would become so strong?

For those of us who think that a red Portugal is an unimaginable nightmare and a socialist Portugal a necessary but undesirable and discredited alternative, these elections brought two great victories, one disquieting surprise and a disappointment. The victories were the triumph of the PSD over the PS and the sudden drop of the PCP, which occurred sooner than we thought. The disquieting surprise was provided by the PRD. The disappointment was the fact that a PSD-CDS majority became impossible. To what is due the sudden drop of the PCP? To the increasing lucidity of the more attentive voters? Or to the pious peregrinations of Manuela Eanes? The communists' insistence on presenting themselves under the guise of a popular alliance proves that they do not trust in the charisma of the hammer and sickle. "Dona Manuela's" style and the acceptance it met sadly demonstrates that the most unprivileged strata of the Portuguese people still associate social justice with the charity of bountiful ladies.

We do not believe, we do not want to believe, that the advent of the new party is a reinforcement of the red on our electoral map, or even a new support for leftist socialism in Portugal.

Let us hope.

The Portuguese chose. They decided that the country will be governed by the PSD and will be led by Prof Cavaco Silva. But despite his great victory, Cavaco Silva will be prime minister under difficult conditions. We hereby give him our vote of confidence. We hope he will be able to form a government that can govern. And we feel certain that, if he will, Portugal will enter into a new revolutionary era, an era now peaceful and constructive.

CSO: 3542/8

POLITICAL

NETHERLANDS

#### POLL SHOWS GOVERNMENT UNPOPULARITY

The Hague ANP NEWS BULLETIN in English 23 Sep 85 pp 2-3

[Text The Hague, September 23--Support for the ruling coalition of Christian Democrats and Liberals has fallen to a new low, compared with strong gains by the major opposition Labour party and Democrats '66, results of an opinion poll published at the weekend showed.

Together with small left parties, Labour and Democrats '66 would command a 76-seat majority in the 150-member second chamber, the poll indicated.

In an election the poll would have produced the following distribution of seats in the second chamber (Sept 1982 election results in brackets): Christian Democrats 38 (45), Labour 60 (47), Liberals 27 (36) Democrats '66 9 (6), other left 10 (9), other right 6 (7).

This gives the ruling coalition 65 seats compared with 66 last week, all three lost by the CDA in favour of Labour (two seats) and D '66 (one seat).

The poll, conducted by the Netherlands Statistics Foundation (NSI), on behalf of the Iros broadcasting association, was held before budget day, but last week's provincial elections in Flevoland confirmed the ruling coalition is continuing to lose ground.

In the provincial elections it was the Liberals who booked losses, however, while the Christian Democrats stayed stable.

CSO: 3600/3

POLITICAL

NETHERLANDS

D'66'S VAN MIERLO ON FUTURE PARTY PROSPECTS

Amsterdam DE TUD in Dutch 13 Sep 85 pp 8-13

[Interview with Hans van Mierlo, list-leader of D'66 [Democrats '66], by Gerard Driehuis, date and place not specified; ellipses as in original; passages enclosed in slantlines emphasized in original: "Hans Van Mierlo, A Winner on His Way. 'Before, I Was Naive, But You Will See That I Am Not Anymore'"]

[Excerpt] He does not like interviews, but when he has to give one, it is a thorough one. Where democracy fails, what is wrong with the press, what might happen after the elections, the cruise missiles, why D'66 should become dispensable, it all comes up for discussion. A talk with Hans van Mierlo, once again the man that is making D'66's fortunes: "If I did not know how bad the mistakes are that the Hague makes, I would say: Let's just not even start."

Only Through the System

[Driehuis] We have come to the only question that really counts. In the political message you have presented you have clearly and insightfully listed all the things that are wrong. Why democracy seems to be less and less able to govern the country. That the old parties are attempting in vain to apply antiquated contradistinctions between liberalism and socialism to a world that has changed. That television democracy has confused packaging with content. A splendid analysis, but why does that mean it be a good thing if D'66 got into the [Second] Chamber.

[Van Mierlo] It is there, I thought.

[Driehuis] Oh? Let's be optimistic. Say D'66 gets 15 seats in the Chamber. That would leave another 135 for the other parties. Then you can play the game along with the others (in which case you will stay at 15) or you do not really play along (and then it will again be a case of "up to 17 seats and back down again").

[Van Mierlo] You can say, "We do not like the system, so we will not go along." Or you accept the difficulty and go ahead and do what has to be done to make it clear to people that things have to change. If you reject violence but still want to change something, it can only be done through the system. That makes us vulnerable. The other parties have divided things up splendidly. Every problem has three sides: a Left side, a Right side, and something in the middle. Joop and Ed sit on opposite ends and Lubbers in between them, and he thinks to himself: "As long as both of them pull equally hard, I will be fine here." Den Uyl can make it clear who he is, thanks to Nipels, and vice versa. And not because of anything to do with content, because the contradistinction between liberalism and socialism is nonsensical even from a historical point of view and certainly is not valid any longer now. But despite that, they keep up the role-playing. It really is difficult to get in between. You constantly ask yourself whether it would not be better to stop all our idealistic efforts.

[Driehuis] Really

[Van Mierlo] If I did not have the feeling that citizens share our unease, since in their own little worlds things cannot be divided up like that either, if I did not know how bad the mistakes are that the Hague makes, I would share your conclusion and say "Let's just not even start." But there is a chance to improve things, and we will just grasp it. Soon, when we ask people to vote for us, we will say that changes in the power relationships are the most important thing. Why? Because people are being governed badly.

[Driehuis] I do not want to be a spoil-sport, but aren't things slightly different than you describe them? In practice. In June you give a speech in which you describe all the things wrong with the system. The cream of the journalistic world attends, and after the first 5 minutes the ensuing press conference is all about just one thing: What is he going to do after the elections?

[Van Mierlo] What is wrong with that? That press conference was made up of journalists, not politicians!

Well, the question is whether it is worthwhile. I know all those questions. They end up in that sort of Italianate despair about why you exist. But there is no alternative, it is either leave things as they are (or just do it. If people want a change in the way they are governed, there is just one party that is excited about that, and that is D'66. In other areas too we have opinions, but we are not indispensable in that regard. My ideal is for us to become indispensable. If we can change the system, there will be no longer be any reason for D'66 as such to exist.

[Driehuis] I think I hear balloons being pricked. Even way back when, D'66 was supposed to have been set up in order to make itself unnecessary. And when that did not work out very well, it turned into a party like all the others. With opinions about everything. "The Fourth Current" your party called it then.

[Van Mierlo] There is no essential need for a party in addition to the existing ones, a party that says "We do not believe A, nor B, nor C, we believe D." I do not want to have much to do with such a fourth current. I do not care for that. D'66 will disappear in its own goals. We exist in order to disappear. As soon as politics is carried on in a different way, people from D'66 will certainly find their place. But maybe not as members of this party. Maybe as members of it indeed, but I do not think that is relevant.

[Driehuis] So you are saying that what the party has attempted to do in the past 6, 7 years is irrelevant, namely to become a separate current in politics.

[Van Mierlo] A party is a group of people. And they can very well find a place in other parties too. That is very simple after all. It sounds a bit vain, but what I am really saying is: D'66 is the party of the future. Parties will come to look like what we now call D'66. They will be fora where people reflect about society. Not on the basis of antiquated 19th century principles, but on the basis of today's reality. D'66 is not a party which has to formulate the truth about society. D'66 is a ferment that is necessary in the process of change. D'66 formulates the process of change, and nothing more than that. But also nothing less than that.

## Twenty Years Older

[Driehuis] You describe how badly the country is governed and say that we really need D'66 to see to it that things no longer go on that same way. But what will actually happen if things do go on that same way? After all, they been going on for years that same way, and everything is still going along in an entirely acceptable way?

[Van Mierlo] If a structure is less and less in tune with the problems, then a day comes when it will break down. You just keep on harping about the question of whether it is possible to alter the decision-making process, to alter the political culture, and that question is not a good one. The question is: "Does it have to be possible?" And I think it does have to be possible, and whether it also is possible, we will just see about that.



[Driehuis] Twenty years ago, in 1966, it already "had to be" then. It was tried then, and it apparently did not succeed then.

[Van Mierlo] The difference is that we are 20 years older. A pity for your cover, but we know more things. We are less naive. Before, I was naive, but you will see that I am not anymore. Before, we thought that it was possible to accomplish anything through politics. Now I know that one of the things that has to be done is to play down the pretensions of politics. Those pretensions only serve a purpose at the stage of acquiring power, when you have to create the idea that everything good will happen if you just vote for X, and that is highly obstructive at the stage of exercising power.

[Driehuis] I still do not get it. The analysis of how political decisions are made is right. The way politics is carried on today leads to curious excesses. Just take RSV [Rijn-Schelde Verolme], just take the latest annual report from Government Commissioner Tjeenk Willink. You said that it will break down. Marcel van Dam even predicted a civil war once. But in fact nothing at all is happening?

[Van Mierlo] The way to find out whether people are really unhappy about being governed badly is to make it the central issue in elections. And even if we just get 10 seats, it will still be clear that X percent of the people think things have got to change. Later we will have to see to it that the figure is higher the next time.

#### The Whole Bundle of Cliches

[Driehuis] Just what really happens if that constitutional renewal does not come about?

[Van Mierlo] Well, in that case there is the whole bundle of clichés: human alienation, that kind of thing. People shrug their shoulders over politics and go their own way. Sort of: "I'll find my way. And as for politics, oh well, politics."

[Driehuis] But still 80 percent just go on voting?

[Van Mierlo] They do go on voting, because not voting is dangerous. And too, they vote for parties that work according to the normal pattern, but that does not at all mean to say they are satisfied with that pattern. That is one of those arguments that does not mean anything. What is a voter supposed to do if not vote for one of the known parties? So there is just one way: to make people realize that it cannot go on. I am aware that it is a desperate thing to alter the system from within the system. But do you have a better idea?

#### Role-Playing Framework

[Driehuis] D'66 is a difficult party, not just on constitutional reform, but also on the issues. With PvdA [Labor Party] and VVD [People's Party for Freedom and Democracy] you know what you get, the same with the others. More welfare plus no cruise missiles versus less welfare plus cruise missiles. Very easy to grasp. Then along comes a gentleman that says it is more complicated than that. That is difficult for people, is it not?

[Van Mierlo] That is another of those paternalistic ideas. For the power circuit and the media it is only too easy to say that it is difficult for people. People will judge for themselves whether it is too difficult. Journalists want to write it up in simple terms. Out of magnanimity to serve the reader, but in reality it is for themselves. Politicians want it that way too, certainly the ones at the top. I have great respect for Den Uyl and Lubbers, but they do operate entirely within that role-playing framework.

[Driehuis] Why do you respect them then?



[Van Mierlo] Simply because of their personal abilities and their dedication. I think that within the system we have today Lubbers is an outstanding prime minister. I think that Joop den Uyl too has great abilities. But it simply is their role to display themselves in certain ways. Parties and the contradistinction between conservative and progressive are like the sexes. Nothing is entirely conservative or entirely progressive. It is just that the one predominates with some people, and the other with other people. And what predominates is then emphasized strongly just to make it quite clear what you are. A very important portion of any man is made up of female elements, but a bare majority of his chromosomes are male. And therefore he is a man, and we had better believe it. A woman is just the opposite. Fear of their own confusion makes men show themselves as emphatically as possible to be men, and women to be women.

The way parties behave reminds me very strongly of that. They actually resemble one another very much, but precisely to keep that from showing, they emphasize the differences as much as possible. You are a mixture and not a pure being. The falsification is to act as if you were pure. The law of the repressive majority: suppress the femaleness and you become a real man, suppress the maleness and you become a real woman. But the nicest people are the ones that can live with the minority in themselves. The nice people are the ones where that 45 percent gets its due.

"An Impossible Ulcer"

[Driehuis] The exaggeration of contradistinctions is well illustrated by the discussion over the cruise missiles.

[Van Mierlo] That has turned into an impossible ulcer. We have let it simmer so long, it has been an issue for so long that parties could use to polish their own identities, that it has gotten totally out of hand.

[Driehuis] When you see a man like Den Uyl, who you just said has such great qualities, operating in the matter of the petition in a way that has to make it clear he absolutely believes we must not take those things, come what may, what do you think about that? Do you think he really believes it himself?

[Van Mierlo] You have to ask him that. He says that he means it. And I assume he does. Besides, the fact is that a Labor Party leader who was of a different opinion on that point could not lead that party at this moment. That things have come to that, I think is very bad. I have never concealed my belief that PvdA has contributed greatly to simplifying the issue, until finally it is hardly possible to solve it any more. Not one solution is really satisfactory any more. Politics bears the guilt for that, and that is true of all parties. I too am part of politics, and I was not able to stem that either.

[Driehuis] Is it still possible to think up some way where the political future up to the year 2000 will not be determined by the cruise missiles? Something that everybody can live with?

[Van Mierlo] That everybody can live with? There are no more qualitatively satisfactory solutions. Political parties have created illusions, that things could happen if only we all wished them to.

[Driehuis] And the petition is the crowning piece.

[Van Mierlo] The right to petition is in the Constitution, and it is not there for nothing. It must be taken seriously. I am thus strongly against the Right's view that you can disregard something like that. But I do have criticisms of the content. It is on shaky ground and suggests connections that are not in themselves necessarily correct. You can very well be against nuclear armaments and still accept the stationing. Just as you can be in favor of nuclear armaments and against the stationing. The petition mixes everything up in one big pot. But then the text is a compromise, after negotiations between various groups, including political parties, including mine. My personal opinion therefore is that the political parties should keep their hands off that petition. That is not their job. Parties have the job of getting voters excited about voting for them because of the things they stand for. When enough people do that, you get a majority and what those parties want to happen happens. Period. And later, people, groups, organizations can direct a

petition at the people who got elected. The very way the petition is being organized reveals how politics worked itself into this morass.

#### Criticism of PvdA

[Driehuis] But is it still possible to think up a solution that will not make the country ungovernable?

[Van Mierlo] I do not know. I absolutely do not know what the government is planning. What kind of treaty they will present, and above all when they want to deal with the treaty. It is certain that how they do it may very well turn out to have a decisive effect on the formation of the next government. As for the situation itself, all the main elements at stake have gradually become questionable. I have always had criticisms of PvdA's attitude on this point. Not because it was against the stationing from the start and will continue to be so to the end—that is its right—but because of the attitude: "No, never, come what may." Here the feeling of being right turns into blindness, where everything is subordinated to that one point, which just evokes blindness on the other side. The loudspeaker mentality on the one side summons it up on the other.

As for the government's decision, I have never bothered to conceal my criticism of that. The suggestion that we should have our own equilibrium with the Soviet Union is bizarre. In addition, it ignores other things that may happen in the future. I am thinking here not only about what other weapons systems the Soviet Union could come up with, but also very definitely about that novelty SDI, with all its complications for Europe. SDI's underlying philosophy, to put it mildly, is somewhat in conflict with the philosophy for stationing the cruise weapons. I am also thinking here about the approaching Reagan-Gorbachev summit, where the possibility still cannot be ruled out that big things might come out of it, not least on the intermediate range weapons. On the other hand, there is the fact that the June decision, approved by a majority of Parliament, however questionable it may be, was a concrete message to the Soviet Union, the United States, and our European allies, especially the four other countries where the missiles are being stationed. I mean, how long can the Netherlands keep reconsidering declarations and promises in the international context? Of course it is possible to do so, and it is conceivable that it will be unavoidable, but it is very harmful. In these circumstances, however, I would think it very proper if the government would reflect carefully once more on the question of how it can incorporate any results of the summit conference in Parliament's consideration of the June decision.

And finally there is the popular petition, where you can criticize the organization and the text, but which, as I said, you cannot just ignore, although it cannot be a binding statement. It is not wise to disregard the fact that if things turn out a certain way, a petition does not just describe popular feelings, imperfectly to be sure, but can also discomfit.

#### The Dedication of an Individual

[Driehuis] Three questions at the end. You will be asked them frequently in coming months, so for efficiency's sake you can refer people back to these answers. The first: is it not somewhat worrisome that the party would be dead if you had /not/ agreed to lead the list?

[Van Mierlo] Yes. For a short time, as a passing thing, a party may well depend on the dedication of an individual. Other parties certainly have in the past. If it were structural, it would be bad. Your question is a typically Dutch question for that matter. They always wonder if it is not wrong for me to win support that the party will benefit from. But at the same time they see nothing wrong in a list-leader attempting to win support and later a regiment of MPs taking their seats behind that one man. Without any shadow of responsibility to the voters beyond the party's little ideological speeches. As an individual member of the Chamber you do not have to answer to anybody. And the people, all of whom owe their entry into the Chamber to their own leader, cry shame over the fact that things depend on one man in our party. /We/ are precisely the party that says things have to change. Next question.

[Driehuis] I was not crying shame. Rather I was wondering what would happen if you were hit by a tram. Other parties do like to have a crown prince ready at hand.

[Van Mierlo] If the party gets its own faith back, that will come. In the summer we did not do anything and yet rose from one percent to four. So everything is going very respectably.

[Driehuis] Second final question. How many seats do you think you will win and have to win for it to be considered a success?

[Van Mierlo] Have not thought about it. Or actually I do have an idea about it, but I do not feel like saying. If it is less than six, it will really be a failure.

Who-Goes-With-Who?

[Driehuis] Main final question. What will you do after the elections if the present coalition does not have a majority?

[Van Mierlo] There we go again. "Who-goes-with-who?" We are still just too small to make ambitious statements about all that. Let's first see to it that what we want to do is to the point.

[Driehuis] Say that VVD and CDA [Christian Democratic Appeal] do not have a majority, but VVD, CDA, and D'66 do. According to the polls, that is already the case. What will you do then?

[Van Mierlo] I have already answered that. I do not feel like tying myself down formally. Before, we did so in an effort to break through the system. Things are different now. All the parties are leaving all possibilities open. In a situation like that I do not understand why D'66 should be the only party to tie itself down in advance. Too, that is not our first concern. Our first concern is that we as a party be able to accomplish our mission over a longer period. Of course we do want to be in the government, but that is not in the foreground.

[Driehuis] We are supposed to vote for you, and after the elections we will find out what sort of government that will lead to.

[Van Mierlo] Nonsense. I have already said that it is highly desirable that the largest party should be in the government, and that in principle that party should also provide the prime minister.

[Driehuis] PvdA in other words.

[Van Mierlo] And I think it is not self-evident, when you have opposed a cabinet's policy, as D'66 has done, and when that policy has been a major issue in the elections, that after the elections you should then help that policy to a majority.

[Driehuis] So with D'66 anything is possible in forming a government?

[Van Mierlo] Of course not. Our views on many issues are closer to the Left than to the Right, but if other parties are going to play the fool... If parties do not carry out their responsibilities, and if because of that it is not possible to form a normal government...

[Driehuis] If PvdA makes a majority government impossible, it is conceivable that D'66 would form part of a government with VVD and CDA.

[Van Mierlo] There you would first have to know the reasons why they blocked it.

[Driehuis] What did you think of the cruise missiles?

[Van Mierlo] PvdA has kept itself out of power before, for reasons having to do with persons, in a manner that I did not think right. I think that PvdA should govern, but... if it should turn out that they make that impossible themselves, well, in that case a new situation might arise. On the other hand, if PvdA acts responsibly, while VVD and CDA maneuver PvdA out of the way in the hope that they can make it with help from D66... they can just forget that idea.

[Orluis] You think it irresponsible if PvdA lets the effort to form a government fail because of an ossified attitude on the cruise missiles.

[Van Mierlo] I can only judge that when we are there. What does the treaty look like, etc. It might be so, but it need not be. I cannot predict. But I devoutly hope that it will not be so.

12593

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POLITICAL

SWEDEN

## PAPERS VIEW PROSPECTS FOR PALME, VPK, OPPOSITION

### Palme's Outstretched Hand

Stockholm SVENSKA DAGBLADET in Swedish 18 Sep 85 p 2

[Editorial: "Palme's New Outstretched Hand"]

[Text] As was true after the election 3 years ago, Olof Palme has stretched out his hand. Who will take it? What is in it?

Following the Social Democratic election victory in 1982, Olof Palme found himself in a situation where his minority government alone could count on more votes in Parliament than the Conservative, Center, and Liberal Parties could muster. Only if the VPK [Left Party-Communists] sided with the three other opposition parties were the Social Democrats in danger of being defeated. Palme was confident that the VPK would abstain on crucial votes, and that would be the same as supporting the Social Democrats. The prime minister turned out to be right.

Following the Social Democratic setback in the 1985 election, the situation is entirely different. The three nonsocialist opposition parties combined are larger than the SDP [Social Democratic Party]. In every situation, Olof Palme's 45-percent government will now have to depend on the Communists, who have just over 5 percent, to get "his" policy accepted.

It is understandable that in this situation--facing the prospect of having to sit on Lars Werner's lap for the next 3 years--the Social Democratic head of government should have found reason to stretch out his hand again.

But to put it mildly, experience with Olof Palme's outstretched hand is not particularly good. It is not correct, however, to claim that the hand he held out 3 years ago did not contain anything at all. For example, it turned out to contain the wage earner funds, which were introduced with the "broad majority" consisting of the SDP and the VPK. His hand also held a great many tax increases--including the treachery toward the Center and Liberal Parties that consisted of not living up to the agreement reached on "the miraculous night." And it contained proposals that reduced the individual's freedom of choice and integrity while strengthening the power of the organizations.



The open-hand policy of 1981 actually consisted of an invitation to the opposition parties to support and carry out a purely Social Democratic policy. The invitation was basically nothing but a well-aimed punch with the fist.

Olof Palme himself certainly realizes that similar invitations to join hands in 1995 are only political insults, not only to the parties being invited but also to their voters, who are more numerous than those supporting the SDP.

Like the VPK, the SDP has lost the 1985 election and has done so, moreover, with the same terminology that "won" the election for Olof Palme in 1979. The similarity between then and now lies in the fact that the opposition was not successful enough: the government remained in power, and the opposition "did not reach all the way."

If Olof Palme is serious this time with his outstretched hand, it will have to contain a sincere openness to discussion, not only on the SDP's terms but also on terms acceptable to the Conservative, Liberal, and Center Parties.

It is a good custom in Sweden for parties and organizations to come to the Government Office to exchange viewpoints when called in by the cabinet. And of course, the spokesmen for the Conservative, Liberal, and Center Parties—and the VPK as well—will attend the discussions concerning the orientation of policy to which the government evidently intends to invite them later this fall or in the spring of 1986.

But if those discussions are to be meaningful, the Social Democrats cannot adopt the same scornful attitude they have displayed over the past 3 years toward bills and proposals sponsored by the three big opposition parties. If that is to be the case, Palme might as well agree with Lars Werner immediately concerning the continued socialization and collectivization of Sweden.

What this also means is that Palme's outstretched hand cannot possibly be concerned only with adjustment measures related to the current economic situation. No special talks are required for that: when it comes to carrying out cyclical economic policy—including any possible tax increases—Parliament and its finance and tax committees constitute a smoothly functioning forum for multiparty talks and decisions.

No, the outstretched hand that Olof Palme has been vaguely talking about so far must mean a readiness by the SDP to listen to the big opposition parties' viewpoints on structural changes in Swedish society and the Swedish economy.

The purpose of talks among the parties can never be to conceal ideologically motivated antagonisms. It is a matter of good democracy to be frank in revealing conflicting opinions so that the voters can decide between different alternatives.

But there are situations, of course, in which frankness in talks has intrinsic value—in which such talks are not aimed at making the opposition parties assume direct responsibility for various portions of government policy. But if that frankness is not to become pure illusion, the discussions among party



spokesmen must not be concerned exclusively with budget and economic matters, but also with the opposition's possibilities for influencing investigation work, continuing to affect the thrust of legislative work in a more general sense, safeguarding law and order, protecting private property, halting increased control by the authorities and encroachments on personal integrity, and so on.

If Olof Palme and his minority government do not realize that they, with their 45 percent, cannot dictate to the entire 100 percent, and if the government does not realize that it cannot go into the talks with locked-up seats and positions, the policy of the outstretched hand will be not only an empty gesture but, in fact, a new slap in the face. The bloc politics and confrontation politics that have been Olof Palme's most distinctive mark during his nearly 15 years as party leader will become firmly established.

In the final analysis, the prime minister's still imprecise invitation to assume political responsibility will reflect the prime minister's view of what democracy is--of how much influence the opposition parties backed by more voters than there are behind the government party should be allowed in a parliamentary democracy.

#### Union Voters and VPK

Stockholm SVENSKA DAGBLADET in Swedish 19 Sep 85 p 2

[Editorial: "Willingness To Govern With VPK"]

[Text] Lars Werner (VPK) is a popular person in leading LO (Swedish Federation of Trade Unions) circles around the country, according to the Social Democratic newspaper ARBETET.

That newspaper conducted a poll to determine how the chairmen of the country's LO sections feel about Social Democratic cooperation with those to its left and to its right. The questions were asked before the election, and they were worded as follows: "Can you imagine the VPK getting a ministerial post in a Social Democratic government?" and "If the Social Democrats lose control of the government, can you imagine them forming an alliance with the Center Party to stay in power?" As is evident, those questions are carelessly formulated: they do not make a sufficiently clear distinction between what the interviewee wants and what he thinks may happen. One possible answer to the question "Can you imagine...?" is, of course, "Well, yes, I can imagine it, but it is just the opposite of what I want."

A very big majority of those responding--71 percent--answered yes to the first question, and almost as many--65 percent--answered no to the second. So cooperation in the government between the SDP and the VPK is conceivable, while cooperation in the government between the SDP and the Center Party is ruled out. In the answers given, it is impossible to determine how much reflects a desire and how much reflects an assumption concerning what the SDP leadership will do. (It is interesting that ARBETET itself takes the answers to be exclusively an expression of what is desired.)

Regardless of that, the poll results are enlightening. ARBETET notes that what it calls "the old hatred of communists" is on the way out.

It is indeed, namely in the SDP leadership and in the movement's establishment as a whole. It is to be noted that ARBETET's poll was conducted among union leaders. What ordinary people think is a different matter.

Gone are the days when there was talk of "lice in the folds of the Red Flag," and dead are the Social Democratic prime ministers who made a distinction between the democratic parties and the communists. The explanation is the simplest one imaginable: in the long run, the party will be unable and unwilling to dissociate itself from the one it is dependent upon.

#### Preconditions for Effective Opposition

Stockholm DAGENS NYHETER in Swedish 22 Sep 85 p 2

[Editorial: "A Chance for the Opposition"]

[Text] Seldom has the opposition in Sweden held more winning cards than it does today. Even the losers in the election--the Conservatives and the Center Party--will probably discover that their chances for achieving something useful are much greater than they were during the past 3 years. The only thing required of them is a the slightest instinct for politics aimed at results.

Because of the new distribution of seats in Parliament, the Social Democrats are not fully equipped to govern. On all issues separating the blocs, they will be dependent on active support from the Communists. Even though the difference, from the VPK's standpoint, between abstaining and voting yes must not be overemphasized, the government cannot base a tight and effective economic policy on the Communists. It would be forced into negotiations and concessions, which eat away at credibility and jeopardize results. There are measures in which the VPK cannot participate and which the government can scarcely subject to a vote of confidence.

Between 1973 and 1976, when the forces in Parliament were in equilibrium, the government managed to get along by relying on the Haga agreements, which included an element of blackmail. After its defeat in 1973, the Liberal Party did not want to expose itself to the dangers of a new election and regarded itself as more or less compelled to extend a helping hand to the government. That was during the heyday of middle-of-the-road politics, and Thorbjorn Falldin found it natural to stick with Gunnar Helen. The result was teamwork between the middle parties and the Social Democrats, and it did not stop until the fall of 1982, when the government unilaterally altered the tax agreement reached on the "miraculous night."

A new alliance between the middle parties and the Left is out of the question today. The reason for this will be best understood if one considers why the Haga policy was a failure from the economic standpoint. The purpose at the time was to "get a foothold against inflation," but what we got instead was a

lax and expansive policy that set the stage for cost crises and deficits. The actual step away from bloc politics toward cooperation was such a strain on the middle parties and such a challenge to sections of nonsocialist public opinion that it was not possible politically to make the decisions themselves drastic enough. Their economic content was watered down.

That same context also prevails today. It is conceivable that one or two nonsocialist parties might reach agreement with the government on isolated issues. But when it comes to broad agreement on economic policy, there are only two possibilities: either all three nonsocialist parties will take part or all three will refrain. The government should be made to understand that it is facing an opposition which intends to stick together and which it will therefore have to deal with as an equal partner.

For the past few days the Ministry of Finance has been sending out distress signals. It is being assumed that the balance on current account for 1985 will show a deficit of 15 billion kronor. A squeeze on purchasing power is required, but at the same time, it is necessary not to push up demands in the next round of wage bargaining. In the case of government employees, 7 percent of the additional margin for 1986 has already been signed away by what is known as "overhang." The nurses are demanding 30 percent, the university teachers have already waved the strike weapon, and the journalists have a strike notice that may go into effect tomorrow. The monster is more terrifying than it has been for a long time.

When the government chose its 1982 strategy, it was relying on its good relations with the union organizations. But its ability to hold down wage demands has been inadequate. Its action as the employer of government workers is generally regarded as a failure, especially since the conflict involving the TCO-S [Government Employee Section of the Swedish Central Organization of Salaried Employees], and that fact hinders the necessary coordination of employers' interests throughout the labor market. The government has no means of forcing its will on the organizations, and its chances for making new inflationary goals credible must be viewed as minimal.

The nonsocialist parties might have faced exactly the same problems, and their chances of success would have been more or less equally good or bad. They have no reason to be proud or gloat. Instead, they should think through the problem of what the situation requires and remain in a state of complete readiness.

It is an advantage that the three parties have become more equal in size and that the Liberal and Center Parties combined are now larger than the Conservatives. Psychologically, the election results have made it easier for the parties to come up with a joint policy.

The nonsocialists have never had a more harmonious troika of leaders than they do today. Adelsöhn's and Falldin's stock is at a low point at the moment, but they both have the ability to see beyond the narrow bounds of parties, and if we consider the opposition's possibilities for acting constructively over the next few years, we must hope that both will achieve renewed credibility.

It will be too bad if the opposition is unable to show the voters in 1988 that it has assumed a share of responsibility for the country and that it has succeeded in carrying out a number of nonsocialist proposals.

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POLITICAL

SWEDEN

ADELSOHN URGES TOUGHER IMAGE FOLLOWING ELECTION SETBACK

Executive Committee Ponders Direction

Stockholm SVENSKA DAGBLADET in Swedish 27 Sep 85 p 6

[Article by Willy Silberstein: "Conservative Review: Nonsocialist Criticism Must Be Answered"]

[Text] The directors of the Conservative Party agreed on Thursday that the party, more than ever before, will respond to criticism from the other nonsocialist parties. "We can not continue forever just turning the other cheek," said Adelson after the meeting.

"For example we did not expect very sharp criticism from another nonsocialist on one of the two occasions when we met together during the election campaign," said Adelson, speaking about TV MAGASINET in the days before the election. On this occasion Liberal Party leader Bengt Westerberg took exception to several points of Conservative policy.

Thursday's meeting was the first meeting of the directors of the party since the election. According to our information there was no criticism directed against Adelson's job as party leader other than that perhaps he had not "been himself" enough.

Mistake

"The spontaneity and warmth which always marked Ulf did not always come through in the mass media," explained party secretary Georg Danell, who was also present at the press conference following the party directors meeting.

"But of course I made mistakes, nobody is perfect. Also, it was a rock-hard debate and I was especially closely watched," said Adelson.

Adelson was a little evasive about the question of whether he was considering resigning before the next election.



"It is a long time before the next election. The party and I have 2 years to consider it."

### 'Broilers'

Some of the criticism coming from party members has been aimed at Adelsohn's young colleagues. They have been called "broilers" with too little experience, according to some.

"All criticism of my colleagues is criticism of me, because it is I who chose them. After this or that election defeat, perhaps a little bit of bitter comment is not important," said Adelsohn.

The Conservatives have also been criticised for the mass meetings which were held at Scandinavium and Johanneshov during the election campaign. But Adelsohn thinks that is a phony debate.

### Brighter Meetings

"I said that we should use the searchlights less because otherwise it would be difficult to see the public. But we had to be able to assemble several thousand Conservatives to a meeting just as the Social Democrats did, even if we had to have a brighter location as a result."

The Conservatives expect to continue to promote their issues, for example free elections and lower taxes so that all can live on their wages, even those with few resources.

"We will also continue to push savings so that the budget deficit can be reduced. Our proposals for savings in the election campaign were not bad, but perhaps they were too detailed so that the Social Democrats could conduct a ruthless campaign, indeed a perverse Cossack campaign with unreasonable lies about us.

In order for the Conservatives to support government propositions in the Riksdag it is necessary that they contain savings combined with tax reductions.

"We do not expect to pull the chestnuts out of the fire for the Social Democrats, to support unpleasant decisions without the money saved being used sensibly.

"If the Social Democrats want to discuss with us they must also show signs of their good will by, for example, setting their new proposal for planning and building law aside."

Olof Palme recently said that the new liberalism is dead. Does Adelsohn agree with that?



"The Liberal Party associated itself with pronounced nonsocialist policies in connection with such things as radio and TV, wage earner funds and the abolition of monopolies. Previously we fought alone. And now we are two parties of between 35 and 40 percent of the voters, so he is not correct."

#### Paper Seeks Setback Explanation

Stockholm DAGENS NYHETER in Swedish 30 Sep 85 p 2

[Editorial: "The Conservatives Blame Others"]

[Text] The Swedish voters have a deep fear of insecurity. On the other hand politicians are so well established that they do not feel the need for security as strongly, but they overestimate the need for freedom.

This seductive analysis was written by Nils Hallerby in the liberal news magazine NU. He illustrates with the examples of the Liberal Party disaster in the defeat of ATP [General Supplementary Pension System], the defeat of the Conservatives in 1960 when the party wanted to eliminate the first child allowance--and now the defeat of the Conservatives in this year's election.

The ideologically motivated "change of system" which the Conservatives fought so hard for had no real contact with the voters' every day lives. Of course the voters only wanted lower taxes, less bother and harder demands--in the schools, against criminals and drug dealers. But when they were confronted with visions of a new freedom (in contrast with today's compulsory society, from which they have not suffered much) but with large savings which could make holes in the safety net--they began to doubt.

Now it is the turn of the Conservatives to deal with their disappointment. Because although the loss of votes was rather small, the defeat in relation to their expectations was very great. The gloom among the Conservatives is greater than can be seen on the surface.

But when the Conservative Party directors met several days ago to analyze the election outcome they found that there was nothing wrong with the party's policies or the party leader. On the contrary, the policies will now be clearer--but it will now be less detailed. Apparently the only mistake they made was to present detailed proposals of savings!

Otherwise the party directors are looking for the causes of their defeat elsewhere: public crisis awareness was not sufficiently great for the savings to seem reasonable, nonsocialist cooperation was insufficient, and the Social Democrats' campaign against the "change of system" was more powerful than expected. The negative and defensive aspects dominated, and the positive message of freedom did not come through.

The party also had the good fortune to have some more independent conservative observers in its wake. In the *SMALANDSPOSTEN*, the former editor-in-chief Tore Zetterberg criticized the contents of the election message: Social responsibility was missing, and also its formation: "A serious message can not be brought out in the midst of a sort of jazz festival." Zetterberg believes that the point of the message created enthusiasm among many youths, but doubt in the minds of "thoughtful voters."

Former party leader Gunnar Heckscher pointed out the strong neoliberal profile and the apparent lack of interest in "questions of a humanitarian and social nature."

Clearly the criticism began in Göteborg, which was also a center of opposition to the neoliberal program which was adopted last fall. Veteran Stig Gunne has criticized the overtones of economics and lack of a social message and of traditional questions such as defense and legal security. The Conservatives can blame themselves that they received all the brickbats from the Social Democrats, according to Gunne. It was a natural result of the party setting itself up as an alternative to the Social Democrats. "We gave the Liberal Party the chance to stand out as the spokesman of common sense," he claimed.

When the Conservative message was replaced by a superficial windy liberalism, many Conservatives did not go along. Perhaps that may be the reason why so many Conservatives have gone back to the old high-nonsocialist areas where many have cultural interests and do not lack social awareness.

It could also have been the conceit of the Conservatives which stood in their way. Both the party and its organ, including *SVENSKA DAGBLADET*, continuously praised the Conservatives as the only nonsocialist party to trust. Four years ago the statement by *SVENSK TIDSKRIFT* was typical: "It will take time before the Liberal and Center Parties have adapted themselves to being small parties, even mentally and in their attitudes...the contraction problems of these parties must be handled with respect," but according to the paper it is not to be a question of cooperation, merely tolerance.

Such a big brother attitude will not disappear overnight. It is understandable that the Conservatives have now turned themselves inward, disappointed in the voters and the Liberal Party. Freed from their self-appointed role as the prime minister party, they will have a better profile.

But a closer analysis of this year's election should have the conservatives thinking other thoughts. The election was a defeat for system change, and a victory for common Swedish step-by-step reform. It also showed that the most bitterly anti-Social Democratic party can not always attract the ordinary voters.

The conclusion should be that the Conservatives, and Swedish politics, have the most to win by going back to more traditional social conservatism.

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POLITICAL

SWEDEN

FINAL ELECTION FIGURES SHOW GAINS BY SMALL PRO-MOSCOW PARTY

Stockholm SVENSKA DAGBLADET in Swedish 27 Sep 85 p 6

[Article: "Votes of Small Parties Doubled Since Last Election"]

[Text] Election participation has successively declined in the last four Riksdag elections, and this year was 89.93 percent, which is almost two percent lower than in the election of 1976.

This information came from the final official election returns in the Riksdag election, which were published Thursday. A total of 5,619,242 Swedes voted, of which 48,220 had their votes removed as invalid.

This is how the votes were divided among the parties:

Social Democrats: 2,491,551 votes or 44.72 percent (45.6 percent in 1982)

Conservatives: 1,187,335 votes or 21.31 percent (23.6 percent in 1982)

Liberal Party: 792,268 votes or 14.22 percent (5.9 percent in 1982)

Center Party (Center + Christian Democrats): 691,258 votes or 12.4 percent (in 1982 the Center Party received 15.5 percent and Christian Democrats 1.9 percent, a total of 17.4 percent)

Communist Left Party: 298,419 votes or 5.33 percent (5.6 percent 1982)

Green Environmentalists: 83,645 votes or 1.5 percent (1.7 percent 1982)

Other parties: 26,546 votes or 0.47 percent (0.2 percent in 1982)

The number of votes for small parties has therefore more than doubled since the last election, but the division of votes between them will not be clear until the end of next week. At the last election votes were registered for about 800 real and imaginary parties, and apparently there will be even more such parties this year.

The largest of the small parties, according to a preliminary collation by TIDWINGARNAS TELEBRANEYRA, is the Socialist Party (formerly the Communist Workers' League, KAF) which increased from barely 4,000 votes in 1982 to more than 16,200 votes this year.

The K-Party (formerly Workers' Communist Party, APK), which received almost 6,000 votes in the last election, received only a few votes this year because it urged all its sympathizers to vote for the Social Democrats.

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## FURTHER ASSESSMENTS, REACTIONS FOLLOWING ELECTIONS

### Environment Party Setback Analyzed

Stockholm DAGENS NYHETER in Swedish 21 Sep 85 p 2

[Editorial: "Usefulness of Environmental Party"]

[Text] The Environmental Party, the Greens, does not want to be regarded as either rightwing or leftwing. Last Sunday the party was neither a winner nor a loser: in the general election its number of votes decreased from 1.7 to 1.3 percent, while there was a breakthrough in many local elections.

In the country as a whole, the Environmental Party has had trouble asserting its ideas. The explanation put forth by the party is that mass media, especially TV, do not allow the same scope to the spokespersons, Folke Götter and Sagghild Pohanka, that they allow the leaders of the parties in the parliament. There may be something to this--at any rate we do not know what would have happened if there had been a more generous treatment of the Environmental Party.

The lack of mass media exposure, however, can hardly be the main reason why a party, that says that it is based on local initiative and grassroots activity, is not more successful. Like other parties in trouble, the Environmental Party prefers to blame outside factors rather than examining its own efforts.

A better explanation for the reverse is that the party has utilized its resources badly. A big mistake was made in connection with the party-leader speeches in Almedalen this summer, when the Environmental Party had the chance to make itself heard in practically all the media in the country. Instead, the press conference with the two spokespersons degenerated into a fruitless argument with the journalists, and the evening performance of a choral speech with the participants dressed in trashbags only made the party look ridiculous. This picture of silly performances and far-out behavior has remained.

The Environmental Party has also suffered from the lack of concentration in its message. The party has certainly said a lot about the environment but it has hardly been successful in introducing concrete environmental questions like Scandinavian Link into the election debate.



The spokespersons have also shown almost too much interest in the salaries of the members of parliament, the JAS-airplane and the alleged need for protectionism and all kinds of regulations. The commitment to the environment seems rather more to have become the basis for a general criticism of the industrial society and the way representative democracy makes decisions.

On the local level, the Environmental Party has managed to play a more important role, which also manifested itself in the local elections. The best example is Snyshamn, where the party has led the protests against the new energy coalition and where, in the local election, it increased its share of votes from five to almost thirteen percent—compare that with 2.3 percent in the general election from the same district.

Noradays the Environmental Party is represented in 161 of the 284 districts in the country, compared to 96 districts before Sunday's election. In a number of districts, among them Goteborg and Uppsala, the party has ended up in the position of a fulcrum between the blocs and has thereby been given the opportunity to affect at least some of the decisions.

It is obvious that, at least on a local level, there is room for an environmental party, which can raise concrete environmental questions that have been neglected by the established parties. The party as a whole would probably have gained by being built-up that way instead of first being introduced as a countrywide counterpart to the West German "Die Gruenen" with the aim of making a rapid entry into the parliament.

#### Christian Party, Center Vote Proportion

Stockholm DAGENS NYHETER in Swedish 25 Sep 85 p 8

[Article: "Christian Democratic Union Received Every Fifth Center Vote"]

[Text] It is now completely clear that every fifth vote for the Center in this year's general election, was a vote for the Christian Democratic Union (KDS). In all the Center received 691,183 votes in this year's general election, of which 129,831 came from ballots with KDS candidates.

This means that KDS received 18.9 percent of the Center votes.

In all KDS received 2.3 percent of the votes, an increase of 0.4 percent over the projected results from the polling districts.

The blank Center ballots without a list of candidates, which were used for mail-invotes, have automatically been allotted to the Center when tabulated.

The Center therefore made a poorer showing than the election night numbers indicated, while KDS on the other hand fared better.

Only a few voters, some hundred voters in each district, had chosen the "wrong" ballot and used a KDS ballot without a Center designation. Those votes are counted as KDS votes although separately accounted for and in practice become meaningless because of the election coalition with the Center.

Even if those voters had chosen the right ballot, it probably would not have affected KDS's percentage share of the parliament votes to any appreciable extent.

Carries Weight

"There are more votes behind my mandate than behind any other mandate in the parliament. I believe everyone realizes that it carries weight."

That is how the KDS-leader, Alf Svensson, comments on the vote count.

During a KDS party committee meeting Friday, the election results were analyzed.

"Of course there were some who doubted that the coalition with the Center was a good idea. We had to pay dearly for our only mandate. Personally, I am still convinced that we did the right thing," says Alf Svensson.

#### Falldin Reaction to Resignation Urgings

Stockholm DAGENS NYHETER in Swedish 21 Sep 85 p 8

[Article by Ake Ekahl: "Thorbjorn Falldin Comments on Criticism: You'll Find Out When I Crash"]

[Text] The Center Party leader, Thorbjorn Falldin, was visibly irritated and upset when he left the Parliament building Friday evening after an almost ten-hour meeting with his party committee.

He found out then that his own district in Angermanland had suggested that he vacate his post as party leader.

"I will not discuss my own role in this." To the question of how much beating Falldin can take, he answered.

"You'll find out when I crash."

He said further that the Center Party is looking for revenge.

After the committee meeting Falldin left the premises in a hurry.

"I have no personal comments," he shouted to the journalists, who earlier in the day had been promised an interview and comments on the committee meeting.

Instead Goran Johansson, the party secretary, got to explain what the party committee had decided on.

Johansson confirmed the information that a political analysis group is going to investigate very quickly how the Center policy can be corrected on the points where the party has put out different messages, that an inquiry will produce views from the districts on the election results and that a member conference will take place sometime this winter. Before then the party's honorary council will have a meeting on October 7.

Several independent crisis groups are going to analyze and formulate the views of the Center on a number of questions, where the party has given the voters an ambiguous or diffuse picture of what the Center wants. It concerns the food subsidies or the food tax and it concerns health insurance savings. This fall the Dagmar-reform will be evaluated separately and no later than this spring, the Center will report on which weaknesses are in need of correction.

#### Coalition With KDS

In particular, the coalition with KDS will also be discussed. During the party committee meeting an angry discussion broke out mainly between the Women's Organization chairperson, Gunnel Jonang and the "marriage promoter" Borje Hornlund about who bore the greatest responsibility for the KDS coalition becoming what it did. The demand for an immediate cancellation of the coalition with KDS in the parliament was rejected by the party committee.

The chairman of the Youth Organization, Andreas Carlgren, demanded that an extra-ordinary meeting be called immediately, but the party committee said no to that suggestion. The next ordinary party meeting will be held at Uppsala in June of next year.

The party committee did not discuss the responsibility of the party leader, Thorbjorn Falldin, for the election defeat. The party questions will be analyzed by the members and eventually their opinion will be presented to the decision-making organ of the party.

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POLITICAL

SWEDEN

# PAPER WEIGHS REASONS FOR CONSERVATIVES' SETBACK

Stockholm DAGENS NYHETER in Swedish 18 Sep 85 p 2

[Editorial: "Conservative Choice of Path"]

[Text] The big sensation in the election was the defeat of the Conservatives. Considering that an election result of nearly 30 percent had been expected, their final figure of just over 21 percent came as a shock. The Conservatives were the completely dominant nonsocialist party before the election, but now their total is below that for the two middle parties.

One would think that the Conservatives might be suffering from the same kind of disappointment and paralysis that hit the Liberal Party in 1979. In that election, the Liberals suffered a slight setback even they were part of the government and their figures in the public opinion polls had been high a few months earlier. But so far at least, the Conservatives seem to be taking their setback calmly. Their unexpected losses in the final spurt obviously benefited the Liberal Party, which is, after all, a brother party—more so now than before. And these are the second-best election results to be achieved by the Conservatives since World War II.

The Conservative setback seems to have occurred in two stages. The tough Social Democratic campaign against "a change in the system" led some sympathizers—probably former Social Democrats—to start moving leftward again. The Conservatives themselves believe that they may have lost 4 or 5 percentage points in that confrontation with the Social Democrats.

They had themselves to blame. They had appointed themselves the "alternative" at an early stage. Ulf Adelsohn came across as a candidate for prime minister, and that put the spotlight on the Conservatives, who certainly could not complain about the attention they were getting in the mass media. But it also meant that the drawbacks to their message about more freedom and lower taxes were discovered. And their message could then be subjected to justified and detailed—but often exaggerated—criticism by the Social Democrats. The voters grew uncertain, and that included even those who were still naming the Conservatives as the "best party."

When the Liberal Party and Bengt Westerberg were finally able to introduce themselves more completely on TV just 14 days before the election, two things happened. Conservatives who were somewhat undecided discovered that another party leader also appeared to be reliably nonsocialist but was putting more emphasis on social responsibility and less on sharp cutbacks. They also found an unobtrusive and objective style that was missing in Adelsöhn and Palme. And the mass media discovered a new party leader after having exhausting the possibilities with both the Left and the Right.

While the Conservatives had their hands full repelling Social Democratic attacks on the subjects of higher taxes for low-income groups and the elimination of subsidies for transportation services and sports for kids, no one had time to study the effects of the Liberal Party's proposals for savings.

Was the Conservative loss in the election a defeat for its platform or a defeat for the party's way of presenting itself on TV? The party's leadership prefers to emphasize mainly the effect of the mass media. Westerberg's Liberal Party emerged as a winner in the final days of the campaign, and supporters of an all-inclusive nonsocialist party climbed on the bandwagon. That may be one explanation of why the Conservative setback occurred primarily in the volatile big-city areas of Stockholm, Göteborg, and Malmö.

But the platform is also criticized within the party. That criticism was expressed in DAGENS NYHETER yesterday by local politicians such as Lars-Ake Skager of Göteborg and Caisa Horberg of Lidö. They say that social responsibility disappeared and that the ideological emphasis on changes in the system became too strong. This reflects criticism of the strongly neoliberal features of the party's platform in the 1980's.

Another criticism of the party leadership, on the other hand, is that it was too bland. The very fact that Ulf Adelsöhn was shouldering the role of nonsocialist candidate for prime minister meant that he also had to bear the "nonsocialist burden." He could not be just the Conservative leader--he also had to emphasize what the nonsocialists had in common. And he did exactly that throughout the campaign, even when the Liberal and Center Parties pointed out that there were differences.

Those opposing starting points for criticism of Adelsöhn originate in a conflict that the Conservatives have found it hard to handle. Both sides wanted the party to present a sharply profiled alternative--the only alternative--to the Social Democrats and to an all-inclusive nonsocialist party. The result was not a unified image.

Despite the criticism from different quarters within the party, Adelsöhn's role still seems to be a strong one. It is scarcely likely that the party will change course. But there is a danger that at least a couple of years from now, the party will become totally absorbed in its own policy.

Bengt Westerberg's successes may entice the Conservatives into making their program clearer. But that may create new problems: an even more explicit



message will make the Conservatives more vulnerable to criticism that they support a skewed distribution policy and are loyal to strong groups. And conflicts among the nonsocialists are something that neither the party leadership nor its internal critics want.

The Conservatives will not undertake a thorough internal reappraisal unless the winds of success favoring the Liberal Party continue for a long time. The big change is that the Conservatives are no longer the leaders within the nonsocialist camp.

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CSO: 3650/356

POLITICAL

SWEDEN

# CONSERVATIVES' LOSSES SPELL END TO ADELSON'S NEOLIBERALISM

Stockholm DAGENS NYHETER in Swedish 18 Sep 85 p 2

[Commentary by Sven Svensson: "A Big Fall for Adelson"]

[Text] The election results require a "change of system" in Conservative policy. The neoliberal spring chickens with which Ulf Adelson has surrounded himself have seen their best days, writes DAGENS NYHETER political columnist Sven Svensson.

Emotionally, the Conservative Party is the big loser in this election, even though the Center Party's results were even worse as far as numbers go. Ulf Adelson learned in a painful manner that Sweden is not on the way to becoming a two-party state in which Social Democrats and Conservatives can fight for control of the government on their own terms.

On the basis of the unrealistically high public opinion figures published by SIFO [Swedish Institute for Public Opinion Polls], the Conservative Party had prepared itself for a big election victory in which the other two nonsocialist parties would wind up as the slaves in its triumphal procession.

The downfall on election night was all the greater in that Ulf Adelson, in his general delusions of grandeur, had been demanding to be prime minister in a nonsocialist government. That was a catastrophic mistake, and it prepared the way for powerful attacks from the Social Democratic steamroller.

The Conservatives, who had long been living in the "sheltered sector" of politics, were unprepared for the Social Democratic attacks that had been daily fare for the Center and Liberal Parties when they were political targets for the Social Democrats.

On that point, the election debate turned into a fiasco for Ulf Adelson. He could not counterattack the Social Democrats either in the debate on a change in the system or in the debate on taxes. There was one Conservative retreat after the other, and the Social Democrats came out winners in that political test of strength. But Palme had not expected Bengt Westerberg, the mother-in-law's dream, to rise from the ashes like a phoenix.

The election results mean that a wide majority of voters rejected the Conservative call for a change in the political system, especially since both the Center Party and the Liberal Party had been forced, as a matter of self-defense, to dissociate themselves from Conservative policy.

The conservative wave in Sweden was therefore broken. Social cutbacks are not practicable by a long shot, and big tax reductions for high-income groups to be paid for by low-income groups or part-time workers are almost taboo.

The election results therefore require a change in Conservative policy. And there are two conceivable alternatives to choose from:

First, to keep Ulf Adelsohn as party leader and gradually change the party's policy.

Second, to change the party's leader and its policy in one sweep, and start all over to regain lost political ground.

Changing party leaders more or less the way managers are changed in a big firm was something of a Conservative specialty in former times. Bagge, Hjalmarson, Heckscher, and Yngve Holmberg are proof of that.

Ulf Adelsohn gives the impression of wanting to stay on as party leader. He has said that after all, the Conservative Party's election results this time were the second best in modern times, and he has refused to go along with his predecessor Costa Bohman's legend about dagger thrusts by the Liberal Party.

It is probable, therefore, that after more than a decade of uninterrupted election victories, the Conservative Party's painful self-examination will lead Ulf Adelsohn to soften his tone and try by every means to help prepare the ground for a nonsocialist election victory in 1988. At long last, the Conservatives seem to have realized that it is the nonsocialist parties, not a single party, that are going to defeat the Social Democrats in elections.

This requires a change of system in the Conservative Party's political orientation. The dream of becoming a 30-percent party like the Conservatives in Norway must be abandoned for the foreseeable future. Adelsohn will have to devote himself to consolidating his position in a 20-percent party living in peace and harmony with the Center and Liberal Parties.

The voting rules in Parliament underscore that fact. As a result of the election, the middle parties together are bigger than the Conservative Party, and the Liberal Party is bigger than the Center Party.

This means that after some mutual adjustment with the Center Party, the Liberal Party's proposals will set the course in parliamentary work. That will provide a poor basis for the Conservative Party's solo trips around the political track. In the final voting, the Conservatives will have to back the Liberal line or the Social Democrats will win.

A toning down of the demand in Conservative policy for a change in the system is also probable, the reason being that there are no good reserves on the party's leadership team.

Deputy party leader Lars Tobisson did not do well in the election in Göteborg, while the second deputy chairman, Ellis Tengbom Velander, is an unknown entity at the national political level, and Carl Bildt is not quite ready for consideration as a serious candidate for party leader.

On the other hand, a political reorientation in the direction of greater discretion and more seriousness presupposes changes at Conservative Party headquarters and in Ulf Adelsohn's circle of advisers.

The neoliberal spring chickens with which Ulf Adelsohn has surrounded himself have seen their best days. Presumably, this also applies to the molding of public opinion in the business sector's campaign organizations, where the Conservatives obtained most of the fuel for their election campaign.

The neoliberals at Conservative Party headquarters must be replaced with forces that are more solidly conservative culturally and socially in order to replace the myth of individual success at the expense of the weak that has been fostered by the Conservative Party's policy.

Continuing with the same old tune would merely give Bengt Westerberg new opportunities to make inroads among intellectuals who have been disturbed by the brutality of the Conservative election message.

One of the biggest mistakes made by the Conservatives in this year's campaign was to hold the mass meetings at Ullevi in Göteborg and at the Johanneshov Ice Stadium.

That was far too much of an Americanized contribution to the homespun Swedish election campaign. And those mass meetings reminded people, in a way that was not favorable to the Conservatives, of European districts farther south.

No more spotlights, otherwise it will be all over for Ulf Adelsohn!

In the search for new credibility following Sunday's election shock, cultural orientation, the preservation of values, and general personal dignity must again be constant features of Conservative policy. Name-calling and grumbling cannot again be the leitmotiv of a Conservative election campaign without leading to dreadful results in the Conservative Party's store of credibility.

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POLITICAL

TURKEY

# 'SECRET DOCUMENTS' REVEAL BULGARIAN PLAN TO INVADE TURKEY

Istanbul TERCUMAN in Turkish 24, 25 Aug 85

[Serialized article by Tokay Gorusok: "Plans to Dismantle Turkey, with Confessions of a Spy and 'Secret Documents'"]

[24 Aug 85 p 1]

[Excerpt]

We Fried Secret Documents from Bulgarian Secret Service's Locked Safes

Our country has always been subject to the attacks of foreign powers owing to its geopolitical situation and, today, is in the "ring of fire."

In order to make our people captive of their perverted ideology and dismantle our lovely country, these countries, posing as friends but disturbed by the existence of Turkey, drew up another "invade and destroy" plan to attain "final victory" after the 1960 revolution.

/We have confiscated the "invade and destroy" plans prepared for "Turkey" and "the Turks" by the misanthropic states that care nothing for international agreements and have undertaken programs on behalf of their base aspirations/ [in boldface].

In these documents, stamped "Top Secret," we will see how the fire of Turkish youth, Turkish peasants and Turkish tradesmen was stoked through their unions, their associations and their universities under the guise of "rights and freedoms" and we will meet the expatriot Turks who made and implemented these plans for annihilation and destruction.

Many Turkish citizens worked day and night, disregarding the threat to their lives, for the "invade Turkey and destroy the Turks" plans which we obtained at the conclusion of months of work. Many people conducted research on many occasions at home and abroad. As the result of this research, the main



center of all the horrors designed for "Turkey" and "the Turks" was identified: /Sofia/ [in upper case, boldface]. So the most dangerous part of the task was organized following this discovery: getting the "Top Secret" papers out of the safes where they were kept.

You will see that in publishing these documents, certain portions of them, in particular ones where code numbers appeared, were blacked out. We did this to prevent compromise of the center where we obtained the documents.

Before publishing these documents, which are a blot on humankind, we would like to express our thanks to the patient and fearless Turkish citizens who helped us, giving no thought to endangering their lives, did the research in the Iron Curtain countries and got to the documents locked away in their safes, at the possible cost of rotting in prison.

Special Service Chief Stoyanov's Orders on Instructions from Moscow: "Find Mihri for Me"

It is 1965.

We are in Sofia, at the ministry in charge of the "special forces" formed in three Bulgarian cities (Sofia, Plovdiv and Burgas) following a meeting in the Kremlin.

Former chief of the Bulgarian Secret Service Turkey Desk, Vasil Stoyanov, is telling the ministry switchboard to locate his older brother Stoyan:

"Find Comrade Stoyanov immediately and tell him that I want to see Mihri on the double. Don't disturb me until Mihri comes."

Istanbul, Moscow

After his call, Vasil Stoyanov lights a cigarette and sits down at his desk. His first thoughts are of Istanbul, then he travels mentally to Moscow. He reminisces about his arrival in Bulgaria under heavy surveillance from Istanbul, where he had been assigned as a commercial officer, and about an urgent midnight phone call received at his home:

"Comrade Vasil Stoyanov, get ready immediately. You are going to Moscow. There is a meeting in the Kremlin. Comrade X from the party will also be going to this meeting with you."

Three years ago on the way to this meeting, attended by representatives of all the national parties and secret services of the Soviet Bloc countries, Vasil Stoyanov worried about having returned from Istanbul without accomplishing the job given him. He recalls, however, that his worries were proved groundless at the end of the meeting. On the contrary, Vasil Stoyanov was to be promoted. He would be the head of the newly formed services.

The former chief would never forget the words spoken to him at the Moscow Airport by the head of the Soviet Secret Service (KGB) Turkey Desk when, as the new chief, he was returning to Sofia:

"Comrade Vasil Stoyanov, we know how valuable an agent you are. However, all of our efforts related to Turkey to date have failed. We have been unable to destabilize Turkey and gain a foothold for Marxist-Leninist ideology. We have, therefore, changed the strategy we have used so far. All organization in connection with Turkey will now take place in your service. No one will know that we are involved in this plan. In this way, our country, the Soviet Union, will be spared being any kind of target on international platforms and we will also kill two birds with one stone. On the one hand, Turkey will be destabilized and, on the other, the Turks in Bulgaria will be assimilated. So, since we trust you for this job, we formed the new services and put you at the head of them."

### Three Services

The three services that Vasil Stoyanov headed were charged with forwarding orders from Moscow to appropriate locations and seeing that they were carried out. These services had military and civilian agents using false names whom they placed in Turkey on a regular basis. These agents knew Turkish traditions and customs and spoke Turkish fluently. Some of these agents, indeed, were chosen from gullible Muslim Turks living in Bulgaria. Of course, these were in addition to the so-called personnel at the embassy in Ankara and the consulates in Istanbul and other cities.

With the help of developing technology, Vasil Stoyanov was able to widen the bridge between Sofia-Ploudiv-Burgas and Moscow. He began to sow the seeds of terrorism in Anatolia using every possibility from air transport to TIR convoys. In fact, the main reason he wanted Mihri now was a series of orders newly arrived from Moscow which would bring to fruition the seeds of terrorism sown earlier. Vasil Stoyanov was sure of success this time and he was elated.

### Mihri Arrives

The receptionist who came to the chief's office to tell him that Mihri had arrived found Vasil Stoyanov in this mood, smiling to himself. Perplexed at first, the receptionist waited briefly, then said, "Comrade Vasil Stoyanov, Comrade Mihri is here."

V. Stoyanov jumped up and welcomed Mihri with open arms.

"Welcome, Comrade Mihri. I have fantastic news for you."

"What's up? When they called and said you wanted me urgently, I dropped everything and rushed straight here."

"Hold on. I'll tell you everything. New orders have come from Moscow."

## Mihri's Story

Mihri and Vasil Stoyanov had known each other a long time. (His real name is not Mihri, but M.E., and he was originally a Bulgarian immigrant. His family settled in Turkey in 1934. Since our purpose is to expose the abominable deeds devised by the Bulgarians with Soviet support for Turkey and the Turks, not to call M.E.'s bluff, we changed to Mihri the name of this man who was arrested on espionage charges in 1972 and tried by the General Staff Military Court, was first convicted and sentenced to 12.5 years in prison, but later had this sentence overturned by the Military Supreme Court of Appeals and was acquitted. Mihri was recruited in Bulgaria, where he had gone to sell hides, through promises of material and moral aid to his relatives who had not emigrated and benefits in his commercial dealings and agreed to become a Bulgarian spy.) They were thus on open terms with each other. Vasil Stoyanov lost no time in getting down to business:

"Look, Mihri, we will be in very high positions when this strategy succeeds. I trust you and your friends. Now I am going to call my brother Stoyan Stoyanov and turn you over to him. You will take orders from him from now on." Brother Stoyanov had hardly finished speaking when older brother Stoyan Stoyanov came in. After affectionately greeting his brother, Vasil said:

"Now go to your office. Sit down and decide together what you are going to do."

## New Strategy

Mihri had been conveying information to the Bulgarians on Turkey's domestic and external policy and economic status between the years of 1959 and 1965, but his life was to change drastically following the conversation with the elder Stoyanov brother in 1965. Big brother Stoyan Stoyanov wanted to use Mihri in leftist activities in Turkey and explained the new strategy to him as follows<sup>\*</sup>:

"The Turkish people, by nature, would never bring about or accept socialism by choice. Now it will be necessary, first of all, to get the leftist movement, which begins in the working sector, to gain strength in the institutions of higher learning in Turkey, to get workers to exercise the right to strike in a way that will threaten the economic status of the country, even get them to accept a general strike, and to cause student incidents to intensify. The Turkish peasant, representing the largest number of votes, will never be drawn to the socialist bloc regardless of all this. The leftist movement has begun in Turkey. To keep this movement from being extinguished and to ensure that it gradually grows stronger, we will now encourage the organization of

<sup>\*</sup>This strategy that was drawn up in Moscow and placed into effect as of 1965 was revealed by the spy Mihri during trial at the General Staff Military Court. This statement by the spy Mihri, who was arrested on 9 December 1972, is on file at the General Staff Military Court.

the right in Turkey and pit it against the left. The people will slowly become divided into two groups because of the clashes between the two groups and, as a result, the clashes will become more violent and the right will be certain to dominate."

[25 Aug 85 p 2]

[Text] Seven-Point Plan

1. Leftist university students will be suppressed and their families will be brought into confrontation with the government.
2. Neutral universities will take sides with the leftist group.
3. Unions will be fortified with extreme elements and illegal strikes and sit-ins will be conducted.
4. The peasant will be persuaded that he is being exploited.
5. Economic life will be brought to a standstill and civil servants will be provoked into passive resistance.
6. Tradesmen will be discontented because of low sales. Investments will stop.
7. The Marxist press will exploit national sensibilities to sabotage the export of labor and help raise unemployment.

Mihri on the Job

The Bulgarian Secret Service was to send Mihri, whom it wanted to use in the leftist movement in Turkey, to Switzerland during the years when anarchy and terrorism were escalating. They gave him the money and assigned him the task of opening two companies named TURELKO and KONOR [expansions unknown]. Mihri would go to Europe often in connection with the affairs of these two companies. He would stop over in Bulgaria on each trip to get orders from his bosses. These firms would serve on one hand as a front for Mihri's espionage activities and, on the other, play an important role along with KINTEX [Bulgarian state export company] in the Bulgarian Secret Service's clandestine movement of arms into Turkey. Now, let us return to 1965. Let us turn our eyes to Sofia and our ears to the words emerging from the mouth of big brother Stoyan Stoyanov, assistant to the "Secret Service" chief. See what Stoyan Stoyanov is saying:

"The right-wing dictatorship which will come to power will begin to crush the leftist forces in the administration. The suppression of university students will arouse antipathy towards the administration among their parents and relatives, most of whom are in Anatolia. There is a need for a strong training



cadre to raise the consciousness of youths at the universities in order to channel university youth in the direction we wish and to allow a socialist youth segment to arise and increase its presence. This is a very effective weapon in countries like Turkey, in particular, where the cultural level is low. It will be possible in this way to separate the people into enemical groups. Unions will be formed innocently at the outset. Extreme elements will infiltrate their administration later and speed the worker movements along the paths we desire. Because no one in the worker masses will have a full picture of the situation except the extreme elements who infiltrate the unions, the workers will view them in each violent action as someone protecting their rights. As the worker movements grow more violent, the right-wing government will take harsh measures, creating a vicious circle in the end. As a result, the clamp-down on the left will tighten and the right wing will want to deliver the coup de grace."

#### Planned Destruction, Not Fate

Stoyan Stoyanov of the Bulgarian Secret Service says that the scene in Turkey in the early 1970's after these events take place will probably be like this:

1. The right wing, with the backing of the rightist government, will suppress the leftist university students. Then the leftist students and his peasant family will be enraged at the government measures. At this point, the family is ready for ideological consciousness-raising.
2. The neutral higher education student, which constitutes the large majority, will sympathize with his fellow students who are being suppressed by the rightist government's excessive measures and, therefore, will be ready for ideological consciousness-raising.
3. As a result of the provocation and suggestions of the extreme elements who have infiltrated and become established in the unions, the worker masses will believe that they are being exploited and will resort to illegal strikes and sit-ins. The harsh measures which the rightist government will take against these workers will this time enrage the families and relations of the workers and, therefore, they too will be ready for ideological consciousness-raising.
4. Meanwhile, the leftist university students will try to persuade the peasant through the known leftist philosophy and slogans that he is being exploited and, therefore, to raise his consciousness to the students' own level.
5. While all of this is happening, economic life will be paralyzed, investments will stop, the cost of living will rise and the low-income civil servants who make up the middle class will become discontented. The majority of the civil servants in Turkey will be discontented enough to initiate passive resistance to the rightist government.
6. Discontent and unrest will begin also in the trade sector whose sales will have plunged owing to the daily rising cost of living and prices coupled with reduced demand. Big business, meanwhile, will start worrying about the future and industrialists will stop making investments because they will be unsure of the next day. Then this situation will quickly cause increased unemployment.



## Press Impact

7. There is already a persistent unemployment problem in Turkey. The governments try to remedy it by sending as many as possible of the unemployed abroad. If one could disregard the level of exported labor, the numbers of the discontented would rise even further. The leftist press, which will already have been indoctrinated in Marxist ideology to ensure this, will play up the topic and influence public opinion by writing articles appealing to national sentiments and thus arouse indignation against exporting labor.

In this way, it will force the government to halt the exportation of labor. So, the numbers of those unable to go abroad and waiting in line for jobs will steadily increase, discontent will rise among workers, and this discontent will spread to the workers' families.

All of these conditions would materialize in a country whose economic structure had been weakened to this extent and, if there should be a party on the left that could command a large front in advance, a left-wing administration would be guaranteed following the right-wing administration that was in power during these violent activities.

## Saved from Abyss at Last Minute

There are the main lines of the conversation that took place in Sofia in 1965 between top Bulgarian Secret Service operative Stoyan Stoyanov and the spy Mihri. Now let us all sit back and consider one by one the events that took place in Turkey after 1965 and the ones they wanted to bring about. And let us each make up our own minds.

In our view, the strategy which was planned in the Kremlin in the early 1960's and placed into effect in Sofia with a great deal of help from certain surrounding countries that pose as friends achieved a large measure of success. Turkey, in the "ring of fire," was brought step by step to fratricidal strife. Our beautiful country was turned into a sea of blood. It was the "Operation to Protect and Preserve Democracy" carried out through the chain of command by the Turkish Armed Forces on 12 September 1980 that hauled Turkey back, not from the brink of the abyss that had been planned for it, but when it was only a few meters from hitting bottom. This was neither the first nor the last of the ploys by our so-called friends who profess Marxist-Leninist ideology, are discomfited by the existence of the Turk and perceive the Turk and Turkey as a "threat" to themselves. As long as Turkey and the Turks live, these enemies posing as our friends will persist in their abominations.

6169

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POLITICAL

TURKEY

## TCP CALLED SLAVE OF BULGARIA

Istanbul TERCUMAN in Turkish 25 Aug 85 p 10

[Text] Ankara (MEDITERRANEAN NEWS AGENCY) - The Turkish Communist Party [TCP], headquartered in East Berlin, has made it crystal clear as regards the oppression of our kinsmen that it considers Bulgaria justified and supports it. The TCP claims that the Bulgarians are exercising certain rights in their constitution in oppressing Bulgarian Turks and has also taken it upon itself to be Bulgaria's advocate in saying, "Turkey has no right to extend its language into Bulgaria."

The journal ISCININ SESI [Voice of the Worker], published by Nihat Akseymen, who represents the London branch of the outlawed Turkish Communist Party and has adopted the pseudonym R. Yorukoglu, has also openly defended Bulgaria's persecution and oppression of our kinsmen. It goes even further than the Bulgarian government in saying, "It is quite clear that no bourgeoisie, including the Turkish bourgeoisie, has the right to extend its language into any socialist country. To attempt to do so would only serve to expose its own repugnant face."

Feigning ignorance of all the documentation of oppression of our comrades in Bulgaria, the TCP blames the Turkish state and press, claiming that newspaper reports "about oppression of the Turks in Bulgaria" are "repugnant propaganda."

The article describes Turkey's efforts to prevent genocide as "despicable racist, fascist, chauvinistic propaganda."

## TCP Call for Strong Bulgarian Self-Defense

ISCININ SESI also published a notice distributed by Bulgaria through its London mission and said that Bulgaria's defense of itself against Turkey had been "puny." The article called upon Bulgaria to defend itself more effectively, reading:

"It is necessary to emphasize simply that Bulgaria does not have to discuss the problems of any part of its population with Turkey. Indeed, it does not have to reply to Turkey in this matter. Who is Turkey to be asking Bulgaria questions about people who live in Bulgaria?"

6349

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MILITARY

EUROPEAN AFFAIRS

### BRIEFS

**SWISS AIR EXERCISES IN SWEDEN**—Swiss Mirage, Tiger, and Hunter aircraft will conduct firing tests with various types of missiles and aircraft cannon at the Defense Materiel Administration's proving ground in Vidsel in Norrbotten during the spring of 1986—from March through the end of June. The tests will be carried out under the terms of the agreement on military technical cooperation that exists between Sweden and Switzerland. The reason for conducting the tests in Sweden is that Switzerland lacks sufficiently large firing ranges from the standpoint of safety. Similar tests have been conducted in Sweden in the past. [Text] [Stockholm DAGENS NYHETER in Swedish 15 Sep 85 p 6] 11798

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MILITARY

FRANCE

**NUCLEAR VULNERABILITY IMPERILS DEFENSE COOPERATION WITH FRG**

Hamburg DER SPIEGEL in German 16 Sept 85 pp 155/156

[Unattributed article: "The Buffer"]

[Text] Should the force de frappe protect the FRG as well?  
Can the Germans want the protection?

"The military suburb of Paris, which for 100 years was named Strasbourg, is now called Hamburg," observed L'UNITE, the newspaper of the French socialists. Even before that, conservative ex-president Valery Giscard d'Estaing had announced: "The boundary of our independence is the Elbe."

In fact, a Paris polling institute determined at the end of June that 65 percent of those voting Left and 62 percent of conservatives are convinced that "France must hurry to the aid of a severely threatened Germany."

Advisers of the Bonn chancellor analyzed "movement in consciousness." Defense Minister Manfred Woerner was "thankful" in registering "that the FRG is no longer regarded as a buffer."

Confidants of the chancellor believed that they could discern that Paris is distancing itself from its heretofore unshakable national nuclear credo, under which its nuclear weapons protect only France itself.

But after the 4 hours of talks between Francois Mitterrand and Helmut Kohl in late August at Port Bregancon on the Mediterranean, disappointed Bonn officials had to acknowledge that there can be no talk of an extension of nuclear protection to the FRG. A Bonn official: "Mitterrand was not very clear."

"If we were to say in advance under what conditions we will use these weapons," said Defense Minister Charles Hernu in justifying the vagueness, "then we would destroy the dialectics of the use of nuclear weapons."

Prior to Bregancon, Bonn defense experts had spent weeks toying with the idea that Paris wanted to counter supposed tendencies in the FRG toward neutrality and pacifism by offering to bring the Germans into a closer military alliance

with the French. The French had repeatedly held out to the Germans the promise of such a possibility but they were never specific.

In the FRG, in turn, many people saw in the force de frappe an alternative to American protection. Helmut Schmidt went the furthest in June 1984 before the Bundestag [FRG parliament]: "If...France were also to extend its autonomous nuclear force to deterrence in favor of Germany, then Germany would, of course, have to...contribute its capital and financial strength."

A report by now-retired French Chief of General Staff Jeannou Lacaze makes it clear that France can hardly maintain its present conventional combat capability--the country cannot afford the nuclear armed forces. Money from Bonn would therefore certainly be welcome.

Lacaze's forecast: In the next 15 years, the air force threatens to decline from 450 to 350 aircraft and the number of tanks from 1,200 to 800. The tonnage of the navy may drop so low that no more operations will be possible in the Indian Ocean.

And the impact of the French deterrent force in the 22nd year of its existence is likewise no longer a secret--the force de frappe is decrepit. Not until the beginning of the 1990's is the "Pluton" missile (range: 120 kilometers) to be replaced with the "Hades" with a range of 350 kilometers. The two dozen or so old "Mirage-IV" tactical bombers, which are supposed to carry atomic bombs to the Soviet Union in the event of war, may well be frustrated by the strong build-up of the Russian air defense.

The aircraft can reach many of the targets only if they are refueled in the air during the flight to the Soviet Union. Their range is not great enough. And the fuel would run out on the return flight as well.

The 18 hardened medium-range missiles with a range of 3,000 kilometers at Plateau d'Albion in Haute-Provence can be scouted so easily that that have long since been included in Moscow's target planning.

The six nuclear-powered submarines equipped with nuclear missiles, of which two or three are always operating in the Atlantic and Mediterranean, are doubtless the most important part of the French deterrent strike force, for only they can give France the possibility of retaliating even after a nuclear attack.

But even these submerged missiles ramps are endangered in time of crisis. Their only base, Isle Longue near Brest, "is a mouse trap," according to a Bonn expert, "that Moscow could quite simply let snap shut."

Neither is there any doubt that after a French nuclear strike the Soviets forces would still be capable of utterly destroying France. What person in his right mind, asked the French general Paul Arnaud de Fofard, would have faith in protection against theft "that is based on the threat of blowing up the house and thereby killing both the thief and the owner?"



In other words, the deterrence of the French nuclear force hardly offers the Germans more security than the American nuclear force.

If the Strategic Defense Initiative (SDI) of U.S. President Ronald Reagan were actually to lead someday to the installation of an antimissile system in space, then the nuclear weapons of the French would be completely obsolete. For it would be only a little while before the Soviet Union would have a similar system.

But if the long and medium-range French nuclear missiles are neutralized, then the country would again have to be defended primarily through conventional weapons. So that even a war does not reach France, the NATO forward defense on the internal German border is of interest for Paris as well.

For the time being, the French want to limit their cooperation with the Germans to joint military projects such as the development of a reconnaissance satellite.

Although the military people in Paris repeatedly and loudly stress their independence, they are totally dependent upon American satellites. The French receive the coordinates of Soviet installations for target planning from Washington. Commanders have to use U.S. satellites to maintain radio contact with the submarine fleet. And these satellites must also guide French missiles to their targets.

After Bonn turned down a participation in a reconnaissance satellite equipped with photo and television cameras, because the Germans considered a clear-weather reconnaissance to be useless, both governments now want to discuss the building of second-generation spy satellites with an all-weather reconnaissance capability.

For the development and operation of command and reconnaissance systems in space姑ble up astronomical sums--about DM10 billion over 10 years in the initial phase.

In addition, experts in the Bonn Defense Ministry doubt that an agreement with Paris on orbits suiting the interests of both countries is even possible. The Germans would not be well-served with information on the situation in Chad or around the nuclear-testing atoll Mururoa in the South Pacific.

For the time being, it seems, things remain as they always were: the military suburb of Paris is not Hamburg but Strasbourg.

6746

CSG: jld/599

MILITARY

SWEDEN

# PAPER VIEWS PROBLEMS FACING MILITARY AS THUNBORG LEAVES

Stockholm DAGENS NYHETER in Swedish 15 Sep 85 p 2

[Editorial: "Thunborg Resigns"]

[Text] "There are no burned bridges," says Minister of Defense Anders Thunborg in a farewell interview with SYDSVENSKA DAGBLADET. He says he believes what Carl Bildt said when the latter supported the Defense Committee's report on security policy, and he asks himself: why wouldn't a new government pursue a policy that it considers the right one?

Thunborg, a politician who believes in compromise, has been concerned by what he views as the "stupid" Bodstrom affair and its repercussions. Concerning the opposition's demand for a vote of confidence, he says critically: "One act of stupidity is not made less serious by another." It is not hard to figure out what he means by that.

But Thunborg feels that the "affairs" have been no more than pirouettes. The important thing is that additional money has been allocated to antisubmarine defense, a four-party agreement on dollar compensation for the Armed Forces has been reached, and the Defense Committee was able to agree on security policy last spring.

The outgoing minister of defense may be pleased with those decisions. But his answers in the interview do not make it clear that in several respects, our defense capability is still in bad shape. Despite the allocation of money, the strengthening of antisubmarine defense has proceeded at an almost inconceivably slow pace. During the recent violations of our airspace, it was noted that our air force is inadequate with the 11 remaining fighter squadrons that Thunborg described in the interview as the minimum. The army's lack of modern materiel--antitank helicopters, for example--has been criticized in articles by Hans Lindblad, the Liberal Party's defense expert, and others.

Besides those shortcomings, which must be remedied as quickly as possible, decisions will be required over the next few years concerning the closing down of peacetime units, the possible procurement of a new tank, the modernization of missile defenses, and so on.

The 1987 defense decision will be crucial in determining whether the gradual weakening of our military defenses that has been underway since the end of the 1960's will be brought to a halt. The Social Democrats will play a leading role in this respect, regardless of whether they are in the government or the opposition during the coming period between elections.

Thunborg says in the interview that the ambiguities in the party's defense policy were cleared away at the Social Democratic Party's latest congress. Let us hope that things remain that way even after he himself leaves the stage of domestic politics! At that congress, of course, Thunborg and Olof Palme had to take on the entire debate against those who—headed by Maj-Britt Theorin—are advocating unilateral Swedish disarmament. And it must not be forgotten how very energetically the Social Democrats opposed the decision on the JAS fighter plane before the last election—only to make an immediate about-face and accept it as soon as the change in government had occurred.

It will be hard to fill the gap left by Anders Thunborg's departure.

11798

CSO: 3650/356

MILITARY

SWEDEN

NAVY BEGINS ANNUAL FALL WAR GAMES

Stockholm DAGENS NYHETER in Swedish 16 Sep 85 p 22

[Article by Bengt Falkkloo]

[Text] The navy's annual fall war games began last Monday on the east coast. In all, 4,000 men will take part in this big exercise in Roslagen north of Stockholm.

So far, only officers, NCO's, and staff personnel have reported for duty. The conscripts will not arrive and be outfitted until next week.

"The navy and coast artillery have held exercises at the same time in previous years, but never really together," says Capt Anders Tindahl of the Navy Staff.

"But now both branches of the service will hold their exercises together to get the various systems and liaison into trim."

The officers and NCO's reported to the various staffs this week and will prepare for the mass arrival of conscripts that will begin on Monday.

"That is when the soldiers will report to their mobilization sites—barns, piers, and rock chambers—to be outfitted before a week of training starts."

The week of training will be followed by the big final exercise, which will continue until 4 October, when the men will be demobilized.

Most of the navy's ships will participate in the exercise. Among other things, an icebreaker has been refitted to lay mines.

Tindahl says: "Naturally, the air force is also cooperating. It will join in to give a realistic picture of how things might go. And in many places in the archipelago, some of the army's local defense units will also take part."

The public can therefore expect a number of noisy overflights as well as traffic problems when troops and materiel are being moved about.

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MILITARY

SWEDEN

# GENERAL URGES ACTION TO IMPROVE ARMY'S COMBAT EFFECTIVENESS

Stockholm DAGENS NYHETER in Swedish 30 Sep 85 p 5

[Op-Ed article by Carl Bjoreman]

[Text] A thorough shakeup in the army's training system will be needed before our units may be considered effective. We will not have such a shakeup unless the chiefs of operation make clearer demands on the production of combat units and on preparedness. This was written by Lt Gen Carl Bjoreman, chief of the Southern Military Region, in this article in which he calls for "more reflection and creative imagination" on the part of the army chief.

Fortunately, the defense resolution of 1982 meant a continuation of the previous course, i.e. defense of the entire country against invasion, based on the system of universal conscription.

In the public debate before this resolution, however, a different direction was proposed on the editorial page of DAGENS NYHETER and elsewhere. According to these proposals, resources should be transferred from the training of inductees to the materiel side. This theme has lived on in the criticism after the defense resolution was approved.

The participation of journalists and professors in the debate makes it possible, with some justification, to speak of criticism by the "intellectuals." This was demonstrated, for example, by the book *Tio debattinlagg om svensk sakerhetspolitik* (Ten Contributions to the Debate on Swedish Security Policy) (1985), in which ten independent writers presented their opinions, at the invitation of the 1983 Defense Committee. The violent attacks against the army that appeared on the op-ed page of EXPRESSEN last spring may be seen in this same context.

In an article on the op-ed page of DAGENS NYHETER in 1979, I suggested that the intellectual critics be invited to participate in operational games that would simulate the entire process of pressure or military action by a foreign power. The proposal was totally ignored. Consequently, the intellectuals can continue dealing with individual parts without an analysis of the whole.



This means that, even though they make some positive and valuable contributions to the debate, they are missing the main point in any utilization of military means: It is necessary to hit the opponent where he is vulnerable while, at the same time, protecting one's own vulnerable spots. This principle determines one's possible courses of action. Many people put all their faith in mobile combat forces, alone.

Of course, the offensive element of our defense is extremely important, but it cannot function unless it interacts with stationary combat forces that defend points of attack, our own bases, and our roads, in order to provide our mobile forces with time to act, on the one hand, and protection and support, on the other. Thus, we need a large number of defensive units to maintain the ability of our mobile assault units to act (in the air, on land, and at sea) and to give them a chance to utilize their special skills.

In addition, the intellectual critics have a consistent material fixation and ignore the importance of factors that involve personnel and training.

Another relationship that the intellectual critics clearly have difficulty understanding is the dependence of the wartime structure on a well-functioning peacetime military organization that can actually man, train, exercise, and (when needed) mobilize combat units. With supreme contempt for the conditions of real life, they make our peacetime military organization into a present-day Sarinmer that can be slaughtered repeatedly, but still be expected to rise from the dead and fulfil its functions, which are vital to the quality of our combat units.

If the public military debate is to provide a foundation for the important defense resolution of 1987, then it must contain contributions that counter-balance the criticism by the intellectuals. This, in turn, will require a better internal military debate.

Here, too, there is too little insight into the importance of the relationship between various factors and functions. The thread leading from the security situation and its requirements to trained combat units of high quality and quantity has been lost. The relationship between the wartime and peacetime military organization is obviously hazy, even among many professional military men.

One result of this was that the so-called death squad was sent out before the 1982 defense resolution with far too little understanding of wartime and peacetime military structures. This was the main reason it failed. Contributions to the defense debate by military personnel also often deal in slogans, debate isolated functions of the military, and avoid the overall picture.

One example may be presented, involving the army (which, by the way, has been criticized by the intellectuals for the past 10 years, but has ignored the criticism--apparently relying on the belief that universal conscription is sacred and provides immunity). Last summer the army chief countered a critical article by assuring us of the following:

- a) that we have an effective army because we are spending large sums on modern weapons and equipment;
- b) that the brigades are most effective and that their equipment measures up to high international standards;
- c) that training should be improved.

One must ask whether it is possible to speak of effective brigades if they do not actually have good training. Both the public debate on defense and the defense resolution have stressed the danger of a surprise attack which, among other things, means that our combat units must be prepared to act immediately after mobilization.

Judging from this response, the army chief has obviously fallen into the same trap as the intellectuals. He is concentrating on materiel and underestimating the importance of training. In his article, he also presented a much too glossy picture of the products he is supposed to place at the disposal of the chiefs of operation (the commander in chief and the military commanders). He has given no consideration to their analysis of the condition of combat units. This condition reveals shortcomings, for example, in joint training by the brigades. This is not surprising, since reserve training has been canceled. It takes a long time to remedy shortcomings of this type.

This is serious--even considering the influence that the chief of a service branch has on production and on the shaping of the production apparatus, i.e. the peacetime military structure. This question is always--and should always be--of current interest, not simply as an object of budget cuts, but also to meet the need for favorable conditions for training and preparedness. Ultimately, these are the results of our security policy.

What we really need is a major shakeup in the way the army trains its units, especially the brigades, so that we can begin to speak of effective units in the sense of being prepared to act immediately after mobilization.

We will have no such shakeup--nor will we have a more realistic defense debate--unless the chiefs of operation make more well-defined demands on the production of combat units and on preparedness. We need clearer goals for this activity, formulated in such a way as to demand results, not just demand that these activities be carried out.

Among other things, this would force the army chief to use more reflection and more creative imagination before making proposals for budget cuts and changes in the production apparatus. So far, he has generally chosen the most convenient solution--closing down units, i.e. saving a large amount in one lump sum. This is a dubious solution even from the standpoint of savings and, all the more so, from the standpoint of training.

The public debate on defense, like the internal military debate, must become more realistic and be based on a thorough analysis of our operational

possibilities in the face of threats or war. Otherwise, in many important respects, it will continue to be a fanciful game of words and slogans, with no significance as a foundation for defense resolutions which, nevertheless, must be made and must have a serious content.

9336

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MILITARY

SWEDEN

PAPER VIEWS ARMED FORCES COMMANDER'S PROPOSALS FOR 1987-97

Stockholm DAGENS NYHETER in Swedish 10 Oct 85 p 2

[Editorial: "Commander's Known View"]

[Text] Few surprising views may be expected from government authorities. It would be unfair to expect any surprises from the commander in chief when he presents a plan for military development from 1987 to 1997. At the same time, however, it must be said that the politicians have been served up a conventional report on what the military can do with different levels of resources.

Nevertheless, the commander's long-term plan contains some interesting information in connection with the new defense resolution that must be passed in 1987. It is particularly valuable to see how the military leadership intends to deal with a personnel situation that is unfavorable from the standpoint of age. The layman may have a tendency to ignore the need for high quality and the problem of leadership at the command level. Nevertheless, units that are handled poorly during times of peace do not contribute to the military's ability to deter other countries from military action.

The watchwords of the commander in chief are "balance"--among service branches, functions, etc.--and "adjustment." Basically, however, the commander in chief wants it both ways. He wants both many (easily motivated, of course) units based on universal conscription and advanced systems such as the JAS Gripen, to take the simplest example.

Even at low levels of spending, the military leadership would retain all currently prioritized "assault" brigades. This also affects the authorities' view of the peacetime military structure. They are now modestly talking about closing down "several" units, obviously special task forces. This would be possible by holding rotating training courses at several units, which would then serve infantry/tank, as well as support functions.

No conclusions seem to have been drawn from the fact that the number of inductees will drop toward the end of the period in question. This simply means that an important question has been postponed into the future.

The format is familiar from the past. The commander in chief was commissioned by the government to state what he could do with three different levels of

spending--today's level of about 23 billion kroner plus or minus 0.5 billion per year. He then comes up with his own proposal that, for the 5-year period of 1987 to 1992, would average 2 billion kroner above the amount the military now has at its disposal. Not unexpectedly, the commander in chief would get the most from the highest level of spending. Objectively, it is difficult to deny the commander's conclusion that he could do no more than keep up with developments in the rest of the world. The commander in chief also said that this level "probably" corresponded to the level before the defense resolution of 1962, before the budget was trimmed.

With regard to the lowest spending level, the chiefs of the three service branches have given varying opinions. This shows that, even at the lowest spending level, the commander in chief would not undertake a redistribution among the service branches.

It is usually easiest to make cuts across the board. The Defense Committee may have been more pleased, however, if the commander in chief had been more sensitive. Long-term retention of an established defense structure is not always the right way to go.

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MILITARY

SWEDEN

# DEFENSE STUDY OFFICE TO EXAMINE ARMS INDUSTRY FUTURE

Stockholm DAGENS NYHETER in Swedish 10 Oct 85 p 8

[Article by Sven Svensson]

[Text] The staff of the Study Committee on National Defense will examine the future of the Swedish arms industry. This compromise decision was made by the committee following a dispute between Social Democratic and nonsocialist members.

A reduction in orders is a matter of concern for the Swedish arms industry. This is particularly true of the missile, aircraft, shipbuilding, and electronics industries.

With regard to missiles, the question is whether or not Bofors can maintain Swedish production after Robot 70 and the antitank missile Bill, which were recently demonstrated. For the shipbuilding industry, it is a question of new orders after the six planned coastal corvettes are completed. For the aircraft industry, the question is what will happen after the JAS is completed.

Social Democratic representatives on the committee wanted government officials to examine the situation of the arms industry, while the nonsocialists demanded that representatives of the Study Committee on National Defense also be included. At the suggestion of chairman Gunnar Nilsson, the committee's staff was instructed to present a summary of the situation within 1 month.

On Wednesday commander in chief Lennart Ljung will appear before the Study Committee on National Defense to present his defense plans for the upcoming 5-year period. The committee must also decide at that time whether or not to appoint a so-called death squad to trim down the present peacetime structure of the military.

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CSO: 3650/13

ECONOMIC

AUSTRIA

## VRANITSKY PLANS BUDGET CUTS, NO TAX HIKES

Vienna DIE PRESSE in German 29 Aug 85 p 7

[Article by kh, PRESSE correspondent: "Vranitsky Plans Budget Cuts--No Tax Hikes"]

[Text] Alpbach. "This parliamentary session is unlikely to produce tax hikes or new taxes," Finance Minister Vranitsky emphatically stated in a press interview he gave yesterday during the Alpbach "Economic Conference." The consolidation of the budget deficit is to be effected by cutting government spending and Vranitsky wants to include in the cuts the subsidies for nationalized industry's raw materials. He pointed out there was no alternative, since budget revenues were curtailed not only by pertinent government promises, but also by economic policy.

Explaining why he had called the increase in the net budgetary deficit (including expenditures for debt liquidation) from presently 4.2 to 5 percent a "consolidation," Vranitsky pointed out that the forecasts had stated "over 6 percent." "The years from 1986 to 1988 are not normal fiscal years; 1986 will possibly be the most difficult year," he said.

In reply to the question whether in view of the serious budgetary problems and the economic slump expected in mid-1986 he would propose to move up to next fall the 1987 elections, since this might give the parties in power a better chance to win, the finance minister hid behind "the answer that you would presently be given by all cabinet members": "The parliamentary session extends to 1987. At present, there is no reason to consider holding elections at another date."

Vranitsky pointed out that in order to stabilize the budget it was necessary to give up the attitude holding that "the state pays for everything"; he conceded that such a reorientation could be effected only gradually. "Any other approach is precluded by the system." It would be impossible in the short term to cut expenditures resulting from past decisions such as were made in the education and social sectors, he said.

Vranitsky stated it was also necessary to reconsider the state subsidies for nationalized industry; like all the Creditanstalt branches, OeIAG (Austrian Industries Management Co.) and its subsidiaries would have to submit detailed

plans, since they could no longer expect across-the-board subsidies. Vranitsky said that in making cuts he would make no distinction between primary and processing industry, "if enterprises can be kept alive only through continuous administration of medication."

The finance minister expects the leading industrialists to "map and implement" the structural change, which, he said, was attainable only through economic growth. He pointed out that if their strategies proved ineffective, they would have to be adapted. "Let us dismiss executives, if they are unable to develop and implement strategies, and stop the practice of allowing incompetents to keep their post and publicizing—as a substitute for action—their salaries. We do not solve any problems this way."

Regarding the employment situation in Austria, the finance minister stated in his opening report at the Alpbach Economic Conference that "reduction of working hours" was "not necessarily the only response to the reduced personnel requirements resulting from efficiency measures. In many cases—in particular in the service sector—retraining the newly unemployed worker toward a more important job is the absolutely preferable response." The particulars of implementation would depend on the branches concerned and on their standing in the international market.

In regard to the current debate on denationalization, Vranitsky stated one would have to examine each individual case as to whether the measure was justifiable in terms of industrial management and business policy and whether there was likely to be sufficient demand. If the investment-oriented public did not see any promise of adequate yields and if demand therefore were lacking, "such a move would actually harm the enterprise." Sales of share "decreed" by political authorities would be "most unlikely to induce potential buyers to pay the highest prices obtainable."

While care should be taken not to taboo the problem, one should nevertheless maintain a sense of proportion, Vranitsky said. He emphasized that "in terms of scope and lapse of time, free-market economists do not call for actions that are at variance with the laws of the market."

Regarding his political work in the fall, Vranitsky mentioned—aside from preparation of the budget—the following priorities: The tax revision bill; the bill on the new financial law—which, incidentally, does not provide for retroactive application of the provision raising from 500,000 to 1 million shillings the minimum amount required for the courts to start legal proceedings concerning financial offenses; an interest fund bill dealing with the budgetary handling of zero-coupon bonds; and preparation of an amendment to the law on finance and credit.

8760

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ECONOMIC

AUSTRIA

**VOEST'S UNUSUAL OIL BARTER DEALS WITH GDR**

Vienna PROFIL in German 9 Sep 85 pp 30-32

[Article by Lieselotte Palme: "Pankow-Connection"]

[Text] VOEST [United Austrian Iron and Steel Works] boss Heribert Apfalter gets rather cross whenever a journalist becomes enthusiastic about the abstract beauty of his deals with the GDR.

He does not want the wondrous billion-shilling blossoms of the most advanced economic horticulture to wilt in the cold air of publicity, he says (underestimating the viability of his plants).

Nevertheless: the flowers are much too beautiful to bloom in obscurity.

Cultivation of these flowers began in the early 1980's, when the GDR--acutely aware of its lack of foreign exchange--searched the international money markets for loans.

The result was rather disappointing: the GDR was unable to obtain as much as a single dollar. The banks-- wary of the risks involved in dealing with Eastern countries--were uncooperative.

Honecker and his comrades were fortunate, however, in that they had at their disposal INTRAC, a state-controlled foreign trade organization distinguished by resourceful financial managers. These managers got together with equally resourceful business friends abroad and hit upon an idea:

Purely financial credits, i.e., credits not based on any commodity transaction, were practically unobtainable--all right. Credits based on some kind of commodity transaction were obtainable more easily; by definition, however, they were bound up with the requirement to import goods to the GDR.

And precisely this was the problem: to obtain large amounts of money without driving up imports and thus further bringing down the balance of payments including invisible trade.

So the task was to procure for the GDR goods credits not affecting the balance of payments including invisible trade and yet opening up gushing--rather than trickling--sources of capital.

Problem number one: goods credits not affecting the balance of payments can only be based on goods not kept, but immediately resold by the GDR. Ideally, these would be goods quoted at international produce exchanges or, at least, internationally marketable.

Problem number two: which of the GDR's trading partners abroad would actually be in a position to grant East Germany—i.e., a country whose solvency was considered anything but great—the billion-mark credits required? Only a big and financially strong company. And even such a firm would do so only if a third party—i.e., its government—shared at least part of the credit risk.

Goods credits are distinguished by their being based on exports. And in all countries, exports are covered by state guarantees. So one had to find a way of getting all this under one umbrella: An internationally marketable product; a potent Western firm having such a product and being prepared to do business with the GDR and to sell this product to the GDR on extended terms; and at the firm's place of business, a state covering these goods credits (= extended terms of payment) by means of export guarantees.

To the GDR, VÖEST with its subsidiary, Intertrading, was a partner that more or less met these requirements: VÖEST/Intertrading is a potent group. It was very much interested in getting together with the GDR on this project. (VÖEST has been doing business with the GDR for a long time.) Intertrading had at its disposal an internationally marketable commodity, namely oil, and it had large quantities of it; for it had begun to enter into oil-purchase agreements with Iran.

There was a drawback, however, in that it was impossible for Intertrading to obtain Austrian export guarantees for shipments of Iranian oil to the GDR: for Austria, Intertrading shipments of Iranian oil to the GDR would be a transit transaction, and transit transactions cannot be guaranteed; and by itself, VÖEST/Intertrading was not in a position to take the risk of extending billion-shilling credits to the GDR.

Consequently, for the project to get started, it was necessary first of all to obtain an export guarantee, and in collaboration with VÖEST's top management the resourceful designers of Austria's export-guarantee system found a way out. The solution lay in the fact that the oil-purchase deal between Intertrading and Iran was not a one-way street, but a barter transaction: in return for Austria's oil-purchase pledge, Iran agreed to buy Austrian export goods.

So VÖEST/Intertrading and Kontrollbank [Central Bank] argued as follows: as Intertrading buys oil from the Iranians, the Iranians buy goods from Austria.

So if the GDR agrees to buy from us the oil purchased from Iran, it promotes Austrian exports.

And if a country thus promotes Austrian exports, it comes to deserve—quasi-indirectly—export guarantees: instead of covering the risk of the actual buyer of the exported goods, the state covers the risk of that third, export-promoting country, namely the GDR.



No sooner said than done. The state was indeed prepared through this new form of export guarantee to assume a large part of Intertrading's GDR-credit risk.

The gap in the system thus was closed. VOEST/Intertrading fully met the GDR requirements; the transaction could now get off the ground. And the GDR was prepared to spend some money on the assistance rendered by its Austrian friends.

An actual transaction typical of the billion-shilling deals made for many years illustrates the way things were done:

Intertrading buys from Iran a certain quantity of oil at \$27.50/barrel. (In the oil business, term of payment is always 30 days; these 30 days apply to any of the transactions described below, naturally with the exception of the Intertrading-INTRAC/GDR oil sale.)

Intertrading sells the oil purchased from Iran to the GDR at \$27.50/barrel. Term of payment: 540 days.

The GDR immediately resells this oil to Axel Johnson, a Swedish firm.

Axel Johnson in its turn resells the oil—at the price of \$28.79/barrel—to Intertrading.

In this actual case, Intertrading immediately resold the oil bought from Axel Johnson at \$28.79/barrel to Shell/Rotterdam, asking \$28.40.

Obviously, the Lenz firm made money out of the deal.

But there is more to this transaction than just oil:

The—state-guaranteed—540-day credit granted to the GDR has to be documented in some way, after all. So INTRAC/GDR opens a credit in favor of Intertrading at some bank, let's say at BAWAG. The interest rate established by this letter of credit for the term difference between 540 and 30 days has for a long time been 3/4 percentage points above the London Interbank Offered Rates (LIBOR).

On money for its own refinancing projects, however, VOEST/Intertrading charges an interest rate that barely exceeds LIBOR.

One sometimes encounters people who envy VOEST/Intertrading the money it makes out of this GDR-credit generator. (To be sure, for the most part people of this kind are incapable of designing such beautiful carousel systems.)

These people say:

To link up the GDR risk with the promotion of exports to Iran seems a bit far-fetched, if one views it against the background of the real Intertrading-GDR-oil cycle: for Intertrading takes back via Axel Johnson the same oil it sold to the GDR, in order to market it "correctly" here Shell/Rotterdam.

The short GDR detour only takes place on paper; and whether or not Austrian exports to Iran materialize really has nothing to do with the GDR.

Besides, one could question, these critics say, whether Austria should have come on so strong in regard to GDR guarantees: by now, Austria has become the East Germans' biggest creditor, outstripping the Federal Republic in this role. The Austrian state is liable for approximately 43 billion shillings the GDR owes Austrian creditors.

It appears, however, that the problem will presently be defused automatically.

Lecturer Gerhard Fink, expert on East Europe and head of the "Vienna Institute for Comparative Economics," points out: "Of late, the GDR has gained access again to the international money markets. Early this year, the country was granted credits even by leading banks such as Citicorp and Bank of America. The GDR's balance of payments including invisible trade has improved and the country has been able somewhat to reduce its foreign debt. This does not mean that liquidity is not one of East Germany's great needs. All in all, however, the fact that the international money markets have opened again is bound to have an effect on the GDR's willingness to make any more costly financing arrangements."

Intertrading's bad luck.

H760

CSO: 3620/504

ECONOMIC

FEDERAL REPUBLIC OF GERMANY

# CONTROVERSY WISES BUNDESBahn'S PLANNED HIGH-SPEED RAIL SET

Hamburg DER SPIEGEL in German 19 Dec 89 pp 10-12

[Unattributed article]

[Text] By the end of the century the Bundesbahn plans to link almost all major German cities by means of a high-speed rail system. The plan is controversial.

Whenever Wilhelm Paeffgen, the head of planning for the Bundesbahn, looks at his ancient network of routes, he becomes pensive: "nothing but holes," he says.

The conclusion to be drawn from official government papers is that the holes are to disappear in the coming decades. On Wednesday this week the cabinet will vote on what is called the Federal traffic route plan.

If it ever becomes reality, the Bundesbahn at the turn of the century would not be forced to send the majority of its trains over lines that date from the 19th century. Routesmaking speeds of more than 200 km/hour possible would link almost all the major cities in the FRG.

But it remains open to debate whether all the sections will actually be built, even following Wednesday's cabinet vote. It is far from certain how the high-speed rail network can be paid for. There is already widespread protest in the regions affected.

Some are afraid that the speeding trains will cut noisily through their idyllic home. Conversely, others are complaining that the new railroad may possibly race past their community.

The "train of the future," as the Bundesbahn calls it, is again creating a night whirlwind alongside the tracks, even before it turns a wheel.

Only planning numbers are firm at the moment. Minister of Transportation Werner Dollinger promised that the state would invest DM 35 billion in the Bundesbahn in the next 10 years, more than ever before. About DM 22.5 billion are to flow into the expansion and new construction of high-speed routes. A total of about 2,000 kilometers of track could be made available for the new "Intercity Express ICE."

The railroad commission in Frankfurt has submitted an appropriately long shopping list. It would like to build an almost unbroken network. It includes expensive links like the one from Cologne to Frankfurt, which is to be driven through the Westerwald and the Taunus for DM 5.4 billion, or the route from Karlsruhe to Basel (DM 1.7 billion) and the one from Stuttgart to Munich (DM 2.5 billion).

About the year 2000, as envisioned, the German super high-speed ICE train would hustle through the entire FRG at speeds between 200 and 400 km/hour, from Fehmarn to Freilassing.

Resistance to this plan is coming from local politicians and nature conservationists.

Although the Greens support the train in principle as an ecologically sound means of transportation, they take offense at the destruction of nature which will accompany the construction of the super high-speed rail routes. Lutz Ribbe, railroad expert at the German Association for the Protection of Nature and the Environment (BUND), on the the planned high-speed links: "Economically questionable and ecologically dubious."

In actuality, public local passenger traffic would be diluted even more, and road construction would be pushed ahead unaffected. BUND member Ribbe castigates "the insincerity of this transportation policy."

Nature lovers who live along the planned stretches of new construction and who will be affected advance similar arguments. Alberto Schmidt, the Greens council member in Eichstätt, is incensed about "an act of lunacy in the Altmühl area" if the Nuremberg-Munich high-speed railroad were cut through there. The line, "totally senseless from the point of view of transportation policy," would result in irreparable damage to nature, in his party's opinion.

CSU politicians, unopposed rulers in Bavaria, are divided. Many of them in the area, such as CSU Land council member Konrad Nagler from Eichstätt, have their doubts about the wisdom of this race track. Jet pilot Franz-Josef Strauss, on the other hand, is insisting on the construction of all the high-speed sections planned for his empire.

The planned high-speed stretch linking Cologne with Frankfurt is highly controversial. At present, the Intercity trains wind their way through the serpentine Rhine valley. A high-speed railroad through the Taunus and the Westerwald would cut travel time between the two cities in half.

In the meantime, a black-red-green opposition has formed against the line. Bernhard Loewenberg, CDU Land council member in the Main-Taunus area, plans to support the resistance. Ulrich Steger, the SPD Minister for Economic Affairs in Hessen, dispatched a brief letter to Bonn: "The new line from Cologne to Eltville/Main is hereby rejected." The Prime Minister of Nordrhein-Westfalen, Johannes Rau, is troubled that the Siebengebirge might possibly suffer damage.

The railroad people have dreamed up a particularly clever plan for the Frankfurt-Cologne line. The high-speed railroad is to be routed through the thinly populated area almost right next to the autobahn, which is noisy and filled with exhaust gases anyway. Freight trains will continue to bludge through the narrow Rhine valley via Bonn and Koblenz.

However, the drawback to the idea is that the route would run past the cities of Bonn and Koblenz. "With some consternation" Bonn's lord mayor Hans Daniel (CDU) noted that the rapid Interstate would make a stop in Siegburg, which is 20 kilometers away. Daniels remarked indignantly that the railroad could not simply bypass the capital.

Reinrich Bolkenbrink (CDU), former minister for transportation in the Rheinland-Pfalz, discovered "substantial damage" for the area around Koblenz if only freight traffic continued to pass through the Rhine valley: "The Lorelei's comb will fall out of her hand, when she hears about this," Bolkenbrink said.

For the time being, such worries are unnecessary. Officials have expressly planned for what is known as an environmental risk analysis for each route in the transportation route plan. If there were a threat of insalubrious quarrying, "on the spot concerning the pros and cons of the projects," in the words of the official text, only those routes would be considered "which have a serious chance of going through."

For the ultra high-speed route between Cologne and Frankfurt, which was already included in plans at the end of the 1960's, this reservation could signify another knockout blow. Even after the year 2000 the Interstates would have to take the Rhine valley, at speeds of between 80 and 100 km/hour.

The fight about a lot of other planned routings could end the same way. At the same time, the extension of numerous winding stretches could be considered long overdue and economically necessary. There is little sense in putting through a costly high-speed railroad from Remm in Wuerzburg without a connecting line from Fulda to the much more important Frankfurt area.

In addition to the anti-[economy-ecology] protesters, the railroad builders are also being opposed by those in control of public money. For each individual route the Bundesbahn has to demonstrate "operating profitability." The money that is spent, in sharp contrast to road construction, has to be recovered in fares. Bonn's Minister of Finance Gerhard Stoltenberg insists that this proof is "imperative."

The proof of profitability could easily be demonstrated--to the extent that assurances could be given that after completion of the high-speed routes in the next century traffic would really be diverted primarily from road to rail. But the politicians would have to see to that by promoting the automobile and its racetracks less than they have done.

The prospects are slim. 200 billion are set aside in the traffic route plan for new highways, to be constructed in the next 10 years--twice as much as for new high-speed railroads.



ECONOMIC

FEDERAL REPUBLIC OF GERMANY

## CHEMICAL, AUTO, ENGINEERING INDUSTRIES REACHING RECOVERY

### 1979 Auto Production Surpassed

Munich, SÜDDEUTSCHE ZEITUNG in German 30 Aug 85 p 21

[Article by Re: "Auto Industry Back on Growth Course, Production This Year Could Surpass the Existing Record of 1979"]

[Text] The president of the Automobile Industry Association (VDA), Hans Irdmann Schoenbeck, considers it possible that German automobile production of passenger cars and station wagons in 1985 will easily surpass the existing record of 1979, i.e., 3.93 million vehicles. The same is true of last year's overall production of 4 million vehicles. The German automobile industry is once again moving into a period of growth. Of course, in the first 7 months new registrations for automobiles were still slightly behind last year.

On the occasion of the International Automobile Show (12-22 September) in Frankfurt, the German automobile industry will announce that "never was the automobile so safe, so economical and so environmentally safe as today. The automobile is not 100 years old, but rather 99 years young." The number of people employed in June 1985 was 30,000 more than the previous year and rose to 648,000 of which 10,000 were not hired until this year. By the end of the year, it will be more than 690,000. It was possible to do away completely with short-time work. There was even evidence of moderate improvement for commercial vehicles, specifically brisk sales of transport vehicles and sluggish export of heavy commercial vehicles.

### "Environmental Offensive"

The uniform EC resolutions in respect to lowering the minimum values for pollutant emissions caused significant forward progress. The share of pollutant-free automobiles among the new registrations will reach 17 percent this year, 50 percent next year and then 75 percent in 1987. Of course, today only 5 percent of them are automobiles with catalyzers, 25 percent of the new registrations are diesel vehicles. Consideration must also be given to the

fact that since the mid-1960s average fuel consumption at increased speeds has declined by 20 to 30 percent. This "environmental offensive by the German automobile industry" will result in substantial improvements in air quality more quickly than suggested by the Brussels scheme. "This lowers the importance of the speed limit." Of course, to date only 2,000 of our gas stations sell lead-free gasoline, which amounts to one percent of consumption.

On an international basis the German automobile industry views its position as stronger. Market shares were gained in Italy (+4.5 percent), between one and two percent in Denmark, Norway, Sweden, the United States, Japan, Finland, Canada, and mostly at the expense of European competition. The Japanese lost in Austria, Greece and Great Britain. In 1985 approximately 800,000 vehicles which were manufactured abroad will be imported into the German market. The real foreigners, that is, without German production abroad, had a 27.2 percent market share in the first half-year of 1985, specifically Japan with 13 percent (12.5 the previous year), France with 7.5 percent (7.9) and Italy with 6.7 percent.

#### Substantial Growth Rates

World automobile production rose in 1985 by 4 percent to 42.1 million vehicles. German exports may well increase somewhat this year (1986). 255,000 trucks and in the automobile sector will increase to 2.5 (2.2) million units. Sales by the German automobile industry should increase this year by 5 to 10 percent. In the first half-year it amounted to DM79.4 billion (+24 percent)--specifically automobile production including parts and accessories, trailers and bodies. If motorcycles and repair and painting operations are also included, then it was DM93.4 billion (+20 percent). For 1985 as a whole these figures will increase to at least DM840 and DM860 billion, respectively.

The further outlook: With investments of over DM9 billion it will not be possible to keep the export rate of the German automobile industry at the current level of 60 percent in 1986. Domestic business will recover significantly and show a higher rate of growth than European automobile sales which are estimated to increase by one to two percent, according to Achin Diekmann, business manager of the VDA.

#### Chemical Production, Employment Strong

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 7 Sep 85 p 13

[Article by ah: "Sustained Upswing in the Chemical Industry. No Lull in the Summer Either. More People Employed"]

[Text] There has been no evidence of a summertime lull in the FRG chemical industry. On the contrary, in July business accelerated after a good first half-year. As the Chemical Industry Association now states, total sales of the chemical industry in the first 6 months rose by 7 percent to DM38.4 billion, and by 10.1 percent in July. From January to June domestic sales expanded by 4.7 percent, on the other hand by 7.1 percent in July. However, the stronger growth impetuses still came from abroad. In the first half-year

foreign sales, with 10 percent, grew twice as fast as domestic business. In July foreign sales increased by 11.9 percent.

Including exports of products which have been further processed, exports of chemical products reached a value of DM39.9 billion, 10.5 percent more than in the same period last year. Measured by total sales of the chemical industry the export rate thus rose to 52 percent. Imports of chemical products increased by 10.7 percent to DM22.3 billion so that the industry contributed DM17.5 billion to the balance sheet of goods and services. Some 2.5 percent of the increase in sales is due to greater production, 3.1 percent to price increases. Capacities, primarily in the raw materials sectors, were well utilized.

For the first time, the chemical industry once again reports strong growth in the numbers of staff employees. At mid-year, with 552,000 staff employees, 0.9 percent more people (5,000) were employed than at the beginning of the year.

#### Engineering Industry Sustains Growth

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 7 Sep 85 p 11

[Article by hff: "Splendid Economic Situation in Machine Building. Seven Percent Real Growth Anticipated. Some 26,000 New Jobs. Lack of Trained Workers"]

[Text] Professor Otto B. Schiele, president of the Association of German Machine Building and Plant Construction (VDMA) judges the current situation in German machine building in a decidedly positive manner. Real new orders increased by 18 percent from January to the end of July of this year in contrast to the same period in the previous year. In this, demand from abroad increased by 21 percent, new domestic orders rose by 13 percent. In July domestic orders for the first time in more than a year had grown more than foreign orders which points to stronger vitality in capital goods activity at home, too. Because of the good situation with respect to orders, the growth outlook for spring of this year--a real increase of five percent--can now be adjusted upwards. The machine building association now anticipates seven percent real growth in production for 1985. The president of the VDMA confirms that capacity utilization improved in the period to 82.4 percent.

Professor Schiele expresses his satisfaction at the improvements in employment which have emerged this year in machine building. Thus, in this branch of industry, not only did short-time work decrease from 26,000 to 4,000 since the beginning of the year, but companies also created 26,000 new jobs since the middle of last year. This positive development will continue, but it will be increasingly hindered by bottlenecks in the hunt for skilled workers. A representative investigation among member companies of the machine building association in Baden-Wuerttemberg revealed that in the production sector alone over 1,600 positions could not be filled there. Thus, the machine building association sees deficient training among those looking for work as the most important reason for unemployment. The association thus wants to

recommend a "training initiative" to the responsible ministries to further train machine building employees, and intends to offer its cooperation and support. The investment program which is required for this advanced training initiative demands outlays in the billions, according to Schiele.

The association president went on to say that the competitiveness of German machine building can only be guaranteed or even strengthened if there is success in incorporating microelectronics into machine building quickly and on a broad scale. In order to help the sectors of machine building, which are especially affected, in the use of modern data processing-oriented technology, the "integrated production systems--mechatronics" task force was established at the beginning of 1985. The task of this working group, which includes the technical groups for office and information technology, materials handling engineering, assembling--handling--industrial robots and machine tools, consists among other things in intensifying the exchange of experiences between the departments and establishing a joint line vis-a-vis agencies and institutions. Moreover, the task force should become active in questions of standardization which are becoming increasingly more important.

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ECONOMIC

FINLAND

## EFTA MEMBERSHIP WON'T AFFECT SOVIET TRADE

### Application for Full Membership

Helsinki HELSINGIN SANOMAT in Finnish 18 Sep 85 p 34

[Article by Harri Saukkomaa: "EFTA Decision Will Not Affect Soviet Trade"]

[Text] The decision to apply for full membership in EFTA or the European Free Trade Association will not in any way affect Finland's commercial arrangements with the Soviet Union, assures Foreign Trade Minister Jermu Laine. A report on the decision was sent to the Soviet Union this week.

In a brief interview given to HELSINGIN SANOMAT Laine pointed out that in concluding new trade policy arrangements Finland has always guaranteed the same benefits for the Soviet Union also. This happened when Finland joined GATT at the end of the 1940s and when Finland became an associate member of EFTA.

The foreign trade minister emphasized that an essential element of the arrangements is that Finland has the right to maintain import regulations in the import of fuels, for example. Thus Soviet trade in which oil imports play a central role will be protected.

President Mauno Koivisto is leaving today for the Soviet Union on a working and vacation trip. Laine does not believe that Finland's decision will be brought up during the trip.

He denied that this decision is the first step on the path toward the European Council. The council is a pan-European organ which is aspiring to achieve uniformity in legislation, among other things. The headquarters of the European Council is in Strasbourg, France.

It is also not a question of a move toward EC-membership, stated Laine. "On the contrary, it is a question of a sign that the EFTA will be kept alive."

Finland's full membership in EFTA failed in the 1960s for foreign policy reasons. "The same reasons do not exist now, otherwise we would not be here," said Laine at Tuesday's press conference. He also made the assurance that full membership will not incur any new obligations for Finland, but it is a question of strengthening operational practice.



The decision to apply for full membership in EFTA was made at the end of August in the government's Foreign Affairs Committee. Laine informed the Parliamentary Foreign Affairs Committee. "There was nothing to be considered exceptional there since no relevant change was taking place," said Laine.

The Finnish Government will submit its application for membership possibly this month already. After a decision is made by the EFTA Council, the matter will be discussed by parliament as a government proposal.

Finland has been an associate member of EFTA for 14 years. At the press conference Foreign Trade Minister Laine said that the difference between associate and full membership has become nonexistent. "We now want to formally confirm an already established situation," argued Laine.

Portugal is leaving EFTA at the end of the year and will join the EC. EFTA General Secretary Per Kleppe considered Finland's full membership a welcome sign since Portugal's withdrawal has been interpreted as a weakening of EFTA. Now the number of members will remain the same.

According to Laine, Finland has been looking for a suitable opportunity to apply for full membership. This opportunity was found now that Portugal is leaving. In recent times the only difference between associate and full membership has according to Laine been that Finland has not been able to influence with its full weight the decision-making process and resolutions of the EFTA Council.

#### Laine Going to EC-Countries

Finland will act as chairman of EFTA's Ministerial Council until the end of the year. On Wednesday Minister Laine will travel to Belgium, Holland, and Luxembourg where he will hold discussions on cooperation between EFTA and the EC. He will meet, among others, the chairman of the EC's Ministerial Council, Luxembourg Foreign Minister Jacques Poos.

#### Taistoite Enso Laine: "It Was Kind of Like a Surprise"

A little before Foreign Trade Minister Jermu Laine announced Finland's EFTA membership to the press, he also gave a report on this matter to the Parliamentary Foreign Affairs Committee.

The committee did not debate the issue very much although a few questions were posed to Laine.

Among the Communists the only one present at the meeting of the committee on Tuesday was Taistoite [Stalinist] Enso Laine, who did not speak on the EFTA issue. He had planned to talk primarily about South Africa on Tuesday and Jermu Laine's EFTA announcement was unexpected.

"Indeed, this came as kind of a surprise," stated Enso Laine afterward. He was cautious in his initial evaluation. "The issue must be further clarified," he stated.

"I do not really know whether Portugal's joining the EC is now the real reason for Finland to become a member of EFTA. Whether this is just now merely a justification, I do not know," deliberated Laine after the session of the Foreign Affairs Committee.

"Indeed, this is, of course, one of those actions by which Finland is being tied to the West. I have issued warnings against the dangers of ties to the West for a long time already.

"Then Finland's membership in EFTA is seen in a new light if that organization consequently obtains additional power against the EC," stated Laine.

The other party factions in the Foreign Affairs Committee understood Finland's step toward full membership very well and did not see any foreign policy dangers in it.

"It is primarily a question of formality and a registration of present practice," stated Conservative Party's Ilkka Kanerva.

Olli Heininen of the Social Democratic Party was also of the same opinion.

Center Party member Marjatta Vaanari pointed out that Finland's foreign trade is further balanced by active cooperation with CEMA-countries.

"Economics is economics," stated Rural Party member J. Juhani Kortteelampi, for his part, to the arguments that Finland is sliding more and more to the West through membership in EFTA.

EFTA Was Not An Anxion for Finland, Sakonien Bargained, Khrushchev Yielded

Finland's relationship to EFTA has not even been accepted as a question on an economics exam for public school students. Even a child has known that Finland is naturally an associate member of EFTA.

Everything was not just as clear a quarter of a century ago. Finland negotiated its position with EFTA for 2 anxious years. Trade policy, foreign policy, domestic policy, and the president's prestige were all intertwined in the process.

The setting was simple, but classic from Finland's point of view: how Finland will arrange its relations with a Western free-trade area so that they will also be acceptable to the Soviet Union.

The establishment of EFTA became clear to the Finns in May-June 1959 when the Nordic countries had to continue negotiations on a joint customs association. When Prime Minister V. J. Sukselainen announced Finland's position on the association, Sweden, Norway, and Denmark stated that they had been secretly negotiating with England, Switzerland, Austria, and Portugal on a seven-nation free-trade area.

## PRAVDA Issued Warning

Finland was not acceptable as one of the founders of a free-trade area. Finland was to be accommodated.

There were no ambiguities about the Soviet Union's stand on EFTA. PRAVDA warned neutral countries against the allurements of EFTA in July 1959 already.

Negotiations had to be conducted on two fronts: with EFTA and with the Soviet Union. The primary negotiators were Trade Minister Ahti Karjalainen and Section Chief Ilmari Munnari of the Foreign Ministry. The decision, however, was in the hands of President Urho Kekkonen.

According to Max Jakobson's confirmation (in the book "Vetreen piiretty viiva" (A Line Drawn in the Water)), Kekkonen did not initially believe in the accomplishment of the whole free-trade area. When it appeared that EFTA was to become a reality, Kekkonen assumed the primary role for himself.

The summer of 1960 was spent in waiting according to Jakobson. Finland had used up its provisions, but the Soviet Union remained silent.

The next step was taken in the fall when Soviet Prime Minister Nikita Khrushchev made a surprise visit to Finland on the occasion of Kekkonen's birthday. A communique was issued from the visit, in which the Soviet Union gave its cautious support to a separate Finnish agreement with EFTA.

At the same time Kekkonen was invited to Moscow. The trip included a group of politicians whom Kekkonen trusted.

## Khrushchev Asked

Paavo Kivimäki of the SEDL (Finnish People's Democratic League), who remembers Khrushchev saying that Finland joined EFTA today, was also on the trip. After that, the host asked whether Finland will then join the EC tomorrow. According to Kivimäki, President Kekkonen answered that Finland will never do this.

On the basis of the negotiations in Moscow an agreement was finally reached by which the Soviet Union's special position in Finland's EFTA decision was secured. Finland agreed to give Soviet products the same customs duty reductions given to EFTA-countries. They were not, however, granted on the basis of most favored nation status, but on the basis of neighborly relations between Finland and the Soviet Union.

Jakobson believes that Soviet foreign trade officials considered Khrushchev's and Kekkonen's agreement to be a watered-down reversal. Naturally, they would have wanted a form of most favored nation status. However, Finland was in no position to do this.

The EFTA agreement was a shining victory for President Urho Kekkonen. He reinforced his position as foreign policy leader after the night of trials and the business prevailing during the EFTA negotiations. Difficulties in domestic

policy were yet to come: the forces behind Ulovi Honka were assembled in the beginning of 1961.

On New Years Day 1961 Kekkonen was, however, able to outline new tasks for Finland's foreign policy after the EFTA negotiations. He was able to talk about Finland "as bridge builder between East and West".

After the EFTA agreement, Kekkonen was also able to trust in the fact that a group of influential people would support him in both good and bad times. For example, Johan Vysopp believes that the agreement influenced relations between Kekkonen and industry.

The agreement between Finland and EFTA was signed on 27 March 1961. Minister Antti Karjalainen and Section Chief Ulovi Munkki signed on behalf of Finland. The agreement with the Soviet Union was made public later when "technical details" were clarified.

Finland's EFTA-trade became duty free in 1967 when the transition period came to an end. At the same time a group of products was taken off the list of regulated imports. The long list included, among other things, fresh and dried garlic, fleece and whalebone material, and pinball machines.

EFTA's importance to Finland began to decline when England, the most important buyer of Finnish paper, joined the European Economic Community in 1973.

Finland was once again forced to make accommodations. The EC agreement also came about painfully in 1973, but there was no longer any question of the fate of the nation. Finland had been guided along a line in the world in which western Venice and Eastern Byzantium are always struggling for the domination of trade.

#### Communists Seek Decision Explanation

Helsingin HELSINGIN SANOMAT in Finnish 19 Sep 85 p 14

[Article: "Communists Seek Justification for EFTA Decision"]

[Text] The Communist Party wants the government to present arguments for its decision to apply for full membership in EFTA. In a stand taken on Wednesday the SKP [Finnish Communist Party] Politburo stated that it is reasonable that the government make its arguments public for the reason that Finland's EFTA arrangement was at one time ratified by parliament as the result of thorough deliberations.

In the SKP's stand it states that the announcement of the application by the Foreign Trade Ministry was "cause for astonishment".

"What has changed since our country became an associate member of EFTA after a heated political debate. What trade policy or foreign policy factors demand that our country's status be changed," are the questions asked in the SKP's stand.

The SKP also takes the position that full membership would tie Finland ever more closely to the crises of a Western capitalist economy and would increase factors of uncertainty.

ECONOMIC

FINLAND

BRIEFS

FINNISH-SOVIET TRADE PROSPECTS--In the view of Finance Minister Ahti Pekkala the next 5-year period in Finnish-Soviet trade will bring new challenges to project building. A transition from mere building to turnkey deliveries is taking place; in the latter, Finnish supplies will be responsible also for the machinery, equipment and other technology for the plants, Pekkala said. Pekkala attended in Moscow today the inauguration of the cargo terminal of the Sheremetyevo airport. The cargo terminal has been built with Finnish-Soviet-French cooperation. At the peak period, the construction of the Sheremetyevo airport cargo terminal provided employment for nearly 300 Finns. The value of the terminal contract was about FM 230 million. [Text] [Helsinki Domestic Service in Finnish 1200 GMT 27 Sep 85 LD]

CSO: 3617/9



ECONOMIC

SPAIN

## FLEXIBLE POLICIES WILL NOT STOP UNEMPLOYMENT

Madrid EL PAIS in Spanish 6 Sep 85 p 11

[Commentary by Salce Elvira, secretary of employment of the Workers' Commissions Labor Union Confederation; passages enclosed in slantlines printed in boldface]

[Text] One of the most important features shared by the employment policies of the different governments is that they emphasize "making the labor market more flexible" by allowing more temporary hiring as the principal way of alleviating unemployment. Thus, in many circles the following dilemma is being discussed: employment stability and more unemployment, or temporary hiring and less unemployment? Economic needs and the real impact of the crisis, it is argued, demand more flexibility, which means facilitating, normalizing and extending temporary hiring. According to this reasoning, this would improve the supply of jobs offered by businessmen.

The Social and Economic Agreement (AES), it should be recalled, legitimizes the insecurity of hiring contracts when it states in Article 15, Title I that "the signatory organizations have observed that the new hiring regulations approved by the Cortes Generales by means of Law 32/84 introduce positive innovations in the sphere of employment."

### Hiring "A La Carte"

This is how we find ourselves in the current situation, with what could be called "a la carte hiring" (a variety of contract forms from which to select) with all kinds of facilities: in the labor and economic spheres, the contracts have terms practically three times as long as the previous maximum, and the terms of apprenticeship contracts are extended from 2 to 3 years. Moreover, there are little or no controls to ensure compliance with the objectives for which these contracts were created, and the maximum percentages in terms of the size of fixed payrolls have been eliminated. The unions had fought to defend those percentages, considering them absolutely essential for ensuring the "exceptional use of temporary labor."

Then there are the contracts covering new activity, which enable newly established businesses as well as old ones that are expanding their activities, under a large number of vague conditions, to hire temporary workers for their entire payroll for up to 3 consecutive years, with contracts renewable every 3

months. Social Security allowances are raised up to 100 percent, and 33 percent of wages are financed. In this regard, the Workers' Commissions (CCO) have estimated that the total cost of the financial incentives for job creation, which are aimed primarily at private industry, comes to 200 billion pesetas, including exemptions or reductions in Social Security contributions, allowances, fiscal support for employment, subsidizing wage costs, etc.

Furthermore, in none of its varied and sundry hiring formulas did it occur to the legislature to insert anything as logical as incentives for permanent employment. After nearly a year, having seen the frightening evidence of a declining workforce and the imminent extinction of the indefinite contract, the legislature finally passed Decree 799/1985 on 25 May. It allows for indefinite hiring under certain circumstances, but only half as much as temporary hiring.

To put it bluntly, this is merely a logical result of the economic policy orientation of a government obsessed with reducing and almost eliminating entrepreneurial risk, in hiring as well as labor costs. It hopes in this way to stimulate employment and create jobs, and any other consideration that might guarantee the workers' interests is secondary to that goal. It is symptomatic that the background explanations contained in existing legal texts contain not a single allusion to the maintenance and defense of the workers' interests, which were won after many years of hard-fought battles.

Powerful mechanisms have been introduced to ensure a selective and gradual amortization of permanent, full-time positions so that a more mobile, inexpensive and docile workforce can be implanted. The intimidating effect of such measures in the context of a severe economic crisis, with the consequent fear of job loss, cannot be ignored.

The directives submitted to the Commission of the European Economic Community (EEC) Council on 6 April 1984, in Articles 3.2, 3.3, 8.1 and 8.2, recognize many rights, including the right of workers' representatives to receive timely and detailed information on the use of temporary hiring. They also establish the principle of /exceptionality/ in the use of temporary labor by businesses.

These rights and concerns expressed by the EEC are light years away from the regulations the Socialist government of Spain has developed. It is therefore difficult to understand the point of those who persistently cite the need to "make the labor market more flexible," when indefinite hiring represented 5.2 percent of all hiring in our country in December, 3.1 percent in January, 2.6 percent in February and 2.59 percent in March. To make matters worse, the change in legislation has been carried out in such an improvised and short-sighted manner that there is not even a modicum of coherence, a backbone that might link one kind of contract with another, within an overall employment policy that included professional education.

#### Meeting Objectives

To conclude, a key question: Are we really achieving the objective of creating jobs, the sole ostensible purpose for these measures? When we hear propaganda about a 137 percent increase in hiring under the various forms of

employment promotion in the first 5 months of the year. we must bear in mind that /this does not refer to the creation of jobs, but to the trend in hiring or job placement./ This is a euphemism aimed at concealing the very failure of temporary hiring in its diverse manifestations to curb unemployment (55,200 jobless workers in the first quarter of 1985, according to the EPA [expansion unknown]), because what government officials leave out but should mention is /how much net employment these measures are creating./ and whether it makes up for the sums paid out of the government's treasury.

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CSO: 8048/2180

ECONOMIC

SPAIN

"SUNBURGED ECONOMY" DISCUSSED

Madrid EL PAIS in Spanish 9 Sep 85 p 6

[Article by Manuel Munoz; passages enclosed in slantlines printed in boldface]

[Text] Valencia—According to preliminary figures released by the Spanish Institute for the Shoe and Related Industries (INIESCOPI), there are 1,650 businesses in this sector, which directly employ 55,000 workers; in addition, another 15,000 employees work in their homes. One can draw some conclusions about the geographical distribution of the industry from the fact that of all the firms, 1,150 (which account for 38,000 direct employees and 7,000 at-home employees) are in the Community of Valencia. Within that area, the province of Alicante and the cities of Elda and Elche account for the lion's share of the industry; they live almost entirely off the industry and the services it generates.

The recent threat by the United States to apply special protectionist rates, and President Reagan's final announcement that they will not be applied, have brought a sector plagued with irregularities once again to the forefront of the economy. Behind this industry's commercial success lies a structural fragility that ranges from the dependence on exports to certain markets, to various types of underground or black-market economies that can be found in it.

Businessmen are striving to break up the concentration of exports to certain countries to avoid dependency, which could be tragic if protectionist measures are suddenly imposed. Thus, although the United States continues to be the primary market for Spanish shoes, it is clear that the dependence on American purchasers is declining, as was pointed out by the director general of industry for the Valencian Generalitat, Andres Garcia Reche. Sales to that country represented 36 percent of all exports in 1984, much lower than the 45 percent figure reported in 1978.

In addition to diversifying markets, there is also a great interest in improving the quality of the product and appealing to more exacting consumers; this goal is being achieved. The average price of a pair of shoes sold by Spain to another country is now nearly 1,200 pesetas, while the average pair imported by our country from Italy is worth less than 700 pesetas.

### Further Underground

Despite all this, however, the sector (which already has a tradition of participating in the unofficial or underground economy, through the manufacture of shoes by hand in private homes, for example) is becoming more and more submerged to avoid the high costs of production. There is no one kind of underground economy, but rather a great variety of irregularities. They range from what economist Antonio Martinez Gomez calls /industrial shantytowns/ (setting up businesses in abandoned industrial facilities moved to farmland, or at generally unfit sites without signs or official recognition) to work in private homes. To be sure, the latter form has undergone a trend in recent years toward the development of small workshops, with several women running small commercial establishments that are replacing strictly at-home work with something a little more dignified, though no less illicit.

In Martinez Gomez' view, the current recovery of shoe exports, which has been in the works since 1981, has been based primarily on two factors. One is of a structural nature, and consists of the spontaneous reorganization that is taking place in the sector, based on the decentralization of production. The underground economy is playing a key role in this process. The other factor is more short-term: the sharp jump in the dollar's value compared to the peseta's."

The decentralization of production or diversification of workplaces allows completely illegal auxiliary businesses to provide regular services to entirely legal finishing businesses, for example. Moreover, this phenomenon exists side by side with what businessmen and workers call /nakeshift reconversion./ The workforce is very mobile and flexible, and benefits from legislation governing commerce. It is relatively common to see a businessman buy a plant and machinery under his own name and lease them to a corporation which is also his. When it goes bankrupt, he recovers the machinery, while Social Security is left unable to collect its debts and the Wage Guarantee Fund has to make good on severance pay and back wages. Months later, he can open another firm with the same plant and machinery, even with the same employees, but the latter have lost the seniority they had built up in the previous business.

In addition to this peculiar form of subsidies, workers often skirt the law by drawing their unemployment subsidy and working at the same time on some undeclared job. Thus, not only is the state providing this peculiar job subsidy, but the unemployment figures are falsified. The Generalitat's labor minister, Miguel Domenech, states that a series of spot inspections revealed an estimated 1 billion pesetas in fraud every 6 months in this sector. He claims he has every intention of cleaning up the statistics.

Nevertheless, no action can be taken until the situation is studied thoroughly and the precise extent of the submerged economy is determined. Businessmen, government officials and labor representatives alike estimate that it accounts for about 35 percent of the sector, but no one knows for certain.

While the Generalitat of Valencia is conducting a reportedly comprehensive and exhaustive study of the real situation, a simple visit to the areas where the



shoe industry is most heavily concentrated reveals feverish activity everywhere, from private homes right up to the edges of cultivated fields. Sometimes groups of structures on farmland, appearing from the outside to be pigpens, actually conceal entire underground factories. If the situation has not been brought under control and is indeed tolerated, it is for fear of destroying economic activity.

"We asked the Administration not to get involved in this situation, to resolve it," stated Rafael Calvo, secretary general of the Federation of Shoe Industries of Spain (FICE). For this purpose, the organization is calling for a legal framework that would provide for restructuring without exorbitant costs.

Antonio Jaen, president of the Elche Association of Shoe Manufacturers, stated that "if they put the squeeze on the underground economy, we would go from fictitious unemployment to real unemployment." He also pointed out that the /underground/ manufacturers are competing unfairly against those who obey the law.

Martin Carpena and Pascual Pascual, leaders of the Workers' Commissions (CCOO) in the district of Baiz Vinalopo, indicated that as exports rise, the number of legal workers declines. They cited the figure of 56,000 workers reported in 1979, compared to 36,000 in 1981. They called for serious negotiations with the Administration, in which labor and business organizations would participate, to restructure the sector.

The secretary general of the General Union of Workers (UGT) for the district of Baiz Vinalopo, Antonio Torres, indicated that his union has filed complaints, especially with regard to unemployment insurance fraud. He acknowledged, however, that it would be difficult to eliminate the current situation without changing the regulations. "Legislation permits the Wage Guarantee Fund to pay for the lay-offs in the sector."

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ENERGY

NETHERLANDS

#### LOWER NATURAL GAS PRICES

The Hague ANP NEWS BULLETIN in English 3 Oct 85 pp 2-3

[Text] Groningen, October 2—NV Nederlandse Gasunie, the distributor of Dutch natural gas, said today it lowered its gas price for large industrial consumers and power stations by eight guilder cents, effective from October 1.

These customers will now pay 41 to 43 guilder cents (excluding value added tax) for a cubic metre of gas, compared with 49 to 52 guilder cents before the cut.

Gasunie said the price cut was a consequence of the fall in the international price of fuel oil in the second and third quarter of this year. The weaker dollar was also a factor, it added.

The company bases its gas price for industrial consumers and power stations on the price of fuel oil in the two preceding quarters.

There will be no cut in the price which Dutch households pay for natural gas, currently 56 guilder cents (excluding value added tax).

#### Domestic Consumers

Gasunie's pricing policy for domestic consumers is one of gradual increases aimed at bringing the gas price into line with the price of domestic fuel oil, the closest substitute for natural gas.

Gasunie spokesman Ton Oosterbaan said today that the gas price for households is currently some 13 guilder cents lower than the price of domestic fuel oil.

The government said in the budget document last month it would go along with an increase in the gas price for households of two to three guilder cents, effective from January 1, 1986.

The gas price paid by Dutch glass-house growers has been cut from 45 cents to 41 cents also with effect from October 1, Gasunie said.

CSO: 3600/5

OCEAN POLAR ISSUES

NETHERLANDS

# HIGHER EEC FISHING QUOTAS SOUGHT

The Hague ANP NEWS BULLETIN in English 30 Sep 85 p 2

[Text]

L u x e m b o u r g. September 30 - Agriculture and Fisheries State Secretary Ad Ploeg said at the weekend he was hopeful of a revision of European Community fishing policy next year granting the Netherlands higher catching quotas.

Ploeg pointed out at Friday's European Community fisheries talks that the Netherlands was able to catch and market more fish than its present limits allowed while other community countries did not fill their quotas.

Ploeg pleaded for a revision of community quotas backing his argument with a reference to the EEC fisheries policy statement which advocates the 'full exploitation of available fishing' in the interests of a balanced and developed community fishing sector.

Ploeg said there was a 'structural error' in current community policy pointing out that in 1983 cod catches in European waters missed their quotas by 30,000 tonnes, falling a further 10,000 tonnes last year, while whiting catches were 77,000 and 60,000 tonnes under respectively.

## Changes Opposed

Several community countries have opposed any changes in the policy which was first agreed in 1983 after laborious negotiations but the European council has agreed to open talks on the matter.

Ploeg proposed that the European Commission, the community's executive body, issue a quarterly prognosis detailing the portions of quotas which have not been fulfilled. The quantities remaining should then be redivided amongst community members, he suggested.

Community Agriculture Commissioner Frans Andriessen said he was prepared to pursue Ploeg's idea, but warned it would take some time. Friday's meeting agreed that European Commission representatives would meet with the permanent representatives of member countries in Brussel to discuss the Dutch proposals.

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ENVIRONMENTAL QUALITY

EUROPEAN AFFAIRS

SOVIET WARNS HELSINKI COMMISSION STATES BALTIC 'MAY DIE'

Stockholm DAGENS NYHETER in Swedish 17 Sep 85 p 13

[Article by Ake Ringberg]

[Text] Starishamm—Environmental experts from the Baltic Sea countries gathered in Skane on Tuesday to work out recommendations on how to save the Baltic Sea's environment before it is too late.

We are in a race with time before the poisons in the Baltic kill off the oxygen and, with it, all the fish in the area.

Marine biologists have already expressed serious fears that the Baltic Sea may become a wasteland and that the entire ecological system may get out of balance. For example, if discharges of nitrogen and phosphorus are allowed to continue at the present rate, the result may be more so-called trash fish and more dead sea bottoms in the Baltic.

The gentlemen from the Baltic Sea's seven coastal states who are now meeting on the plains of southeastern Skane to find a way out of the disaster all belong to the so-called Helsinki Commission, which provides the basis for cooperation and joint efforts by those countries.

Endangered Sea

They all agree that from the environmental standpoint, the Baltic is a vulnerable and endangered sea, but methods for coping with the problem vary from country to country, depending, in part, on problems with legislation.

The convention was signed 10 years ago, and the commission's headquarters are in Helsinki. It gathers annually at various places around the Baltic and then makes recommendations on the basis of scientific assessments of the various threats to the environment.

Secretary General Harald Velmer of the Soviet Union will present the work of the commission on Tuesday. Among those with him will be division head Lars Thorell, who is chairman of the commission's scientific group.

That group concerns itself mainly with discharges on land, while two other groups evaluate discharges of oil and waste into the sea.

Professor Velner says the problems are gigantic, and he draws attention, for example, to Finnish and Swedish poisons from pulp mills, air pollution from Polish industry, and discharges from the Vistula River. Leningrad currently has a 1-billion-ruble purification project underway. It is 60-percent effective today and is scheduled for completion in 1990.

The conference in Skane, which will be formally opened on Tuesday by County Governor Einar Larsson, is purely advisory in nature, of course, but the governments of the respective countries are expected to consider its recommendations.

Lars Thorell, who is from Sweden's National Environment Protection Board, expressed his hope that with the election over, the Swedish Government would step up its efforts in connection with a monitoring program.

On a per capita basis, Sweden reportedly discharges as much as Poland, but there are completely different opinions between Sweden and Denmark, for example, on the subject of environmental protection. Denmark sees an obstacle in its legislation to the building of purification plants before studies as to whether they are really needed are completed, while Sweden draws attention to the primary importance of such plants. The Swedish delegates say that to begin by investigating the need and conditions for such purification plants is both expensive and time consuming.

#### Evaluation

The Helsinki Commission's expert groups have just completed their second major evaluation of the higher levels of nitrogen and phosphorus. The heavy metal content is not too alarming at present, and DDT levels are declining, but PCB poisons are a more complicated matter to cope with. In a special appendix, they naturally recommend more limited use of those substances.

It is no coincidence that the conference is taking place on the plains near Simrishamn, since that is where one-tenth of all fish are caught in Sweden--a total of 22,000 tons per year. Rescuing the water, and therefore the fish, from poisoning is a matter that ought to meet with complete local approval in this part of the country.

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ENVIRONMENTAL QUALITY

SWEDEN

NATIONAL ENVIRONMENTAL SITUATION SURVEY RELEASED

Stockholm: SVENSKA DAGBLADET in Swedish 25 Sep 85 p 11

[Article by Henrik Ekman: "Despite Hopeful Signs in Environmental Situation Survey, 18,000 Lakes Disturbed, Acidification Continuing"]

[Text] North Sweden is less polluted than the southern parts of the country. Nevertheless, the northern peregrine falcons absorb as much PCB as the southern ones. The poisonous substances in the environment are carried up there--by migratory birds.

Among the prey of falcons it is primarily the black-headed gull which contains large amounts of PCB.

This has shown how difficult it is to say anything without proper measurements. And in order to get an idea of developments, it will be necessary to undertake continuous studies distributed over the entire country.

This is exactly what the program of the National Swedish Environment Protection Board for monitoring of the quality of the environment is about. On several occasions, we have previously in SVENSKA DAGBLADET reported on various sub-projects and results.

An Annual Report

The example of the falcons has been taken from the Environment Quality Control Program Yearbook MONITOR-- a kind of annual report on the environment of Sweden.

Certain parts provide really encouraging reading. The content of DDT in the eggs of the common guillemot at Stora Karlsö continues to decline. At the same time, the thickness of the eggshell is approaching normal measurements.

The sparrow-hawks which extend from Falsterbo are increasing in number. This may be a confirmation that the hawks have recovered from the silent spring, the mercury poisoning of the sixties.

On the other hand, there are several birds which seem to decrease in number. The number of honey buzzards has declined markedly during the past decade. And the number of starlings was more than halved in the course of the seventies. Can it be the changes in the agricultural environment which cause it?

#### Threat to Ourselves

Studying the birds may help us trace underlying causes which in the long run may become a threat to ourselves.

The yearbook of the Environment Quality Control Program analyzes the annual poison content in a large number of animals, ranging from the perch to the moose; 300 young starlings, about 50 wild rabbits, approximately 300 vixen, 75 field mice, 50 moose, 150 reindeer, 300-400 roaches or perch, 100 char, 50 pike, etc.

Certain results provide a healthy reminder that Sweden is still far from being in good shape from an environmental point of view. Seals in the Baltic are still becoming malformed due to poisons in the environment, presumably PCB.

And the acidification continues. Today, 18,000 of Sweden's approximately 85,000 lakes are estimated to be acidified, 4,000 of them seriously. That means that fish have disappeared and a few hardy plant and animal species have taken over.

Twenty-eight air and precipitation chemical measuring stations around the country are following the course of acidified substances through the atmosphere. The stations are operated by the Meteorological Institute at the University of Stockholm and are financed by the Environment Quality Control Program. In addition, there are six stations which chart the import and export of pollutants.

#### Precipitation Registered

With their help, also so-called episodes, specific peaks in the fall-out may be registered. On 8 September 1984, for example, a very large content of sulphur dioxide was registered over south-eastern Svealand. It turned out to come from the Krafla volcano on Iceland, which had a major eruption at that very time! The previous peak in July, on the other hand, probably came from Great Britain and a couple of subsequent peaks from the smokestacks of Eastern Europe.

The large lakes have not yet become acidified. On the other hand, they have been subjected to excessive fertilization. MONITOR shows in a few examples how rapidly environmental protection measures may yield results. Municipal treatment plants and improved purification within the forest industry have caused a reduction by 50 per cent in the content of organic matter in Vanern. And in the Malar Bay Ekoln, the purification by Uppsala of the waste water has sharply reduced the blooming of algae. The better quality of the water has, in turn, given less hardy algae species a chance to survive--the number has more than doubled.

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